



2007-2008 Budget & Financial Plan

PROPOSED BUDGET



Architect rendering of the new Milpitas Public Library on Main Street

City of Milpitas
CALIFORNIA



2007-2008 Proposed Budget

Jose S. Esteves, Mayor

Robert Livengood, Vice-Mayor

Armando Gomez, Councilmember

Althea Polanski, Councilmember

Debra Giordano, Councilmember

Submitted By:

Thomas C. Williams, City Manager

Prepared By:

Finance Department

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CITY OF MILPITAS

455 EAST CALAVERAS BOULEVARD, MILPITAS, CALIFORNIA 95035-5479 www.ci.milpitas.ca.gov

April 20, 2007

Honorable Mayor and City Council
City of Milpitas
Milpitas, California 95035

Members of the City Council:

Submitted for your review and approval is the Proposed Annual Budget for Fiscal Year 2007-2008. This budget includes the City's operating and capital improvement budget, the Redevelopment Agency's activities and the City's water and sewer utility operations.

This budget has been developed to assist the City Council in the achievement of its vision for Milpitas and to ensure the delivery of quality, timely, and cost effective services to the community while continuing to meet future fiscal challenges in the most professional and responsive manner. Consequently, it is appropriate to begin this discussion of the budget with a review of the City Council's primary policies.

Policy Direction

The Fiscal Year 2007-08 (FY 07-08) budget was developed to incorporate the following City Council's priorities and policy direction:

- Continue to improve and provide a high level of vital public services to the community in the most effective way
- Evaluate and review all City functions to eliminate duplications and achieve cost efficiencies
- Maintain a reserve policy for the General Fund and other major funds to ensure against economic uncertainties
- Complete the construction of the new Library and Midtown parking garage
- Initiate economic development strategies that will recruit and retain businesses in the City
- Focus on Redevelopment projects that will provide for the economic stability of the community and implementation of the Midtown Specific Plan
- Encourage commercial and residential development focused in the Midtown Specific Plan area that will center on the new light rail system and the future BART system to alleviate traffic congestion

The Budget Highlights section describes how staff has implemented the Council's policy direction through the budget. The City Council held a budget planning session which was open to public participation in February and conceptually approved most of staff's recommendations to achieve FY 07-08 budget objectives.

BUDGET HIGHLIGHT

FY 07-08 Operating Budget was developed to address the continued fiscal challenges faced by the City. Although General Fund revenues have been increasing at a good pace in the last three years, expenditures have also increased significantly. As such, revenue continues to fall short of expenditures and is not sufficient to close the budget gap. Medical insurance premiums continue to increase at a rate much greater than inflation. This is not unique to the City of Milpitas and is a cost that both public and private sector organizations must contend. In addition, in FY 07-08, this Budget proposes to commence with managing the unfunded liability by pre-funding retiree medical benefits. This adds approximately \$1.9 million in expenditures. Limited by resources, the FY 07-08 Operating and Capital Budgets were prioritized to provide services that are most cost effective and beneficial to the community and projects that will bring economic stability to the City. Some of the most significant highlights from the budget are described below:

- Balance the General Fund budget without any program cuts and without using any General Fund reserves.
- Increase cost and work efficiencies. Examples include centralizing the management of cell phone expenses in the Information Services department to achieve economy of scale and re-allocate workers from the Recreation Services department to Public Works department to ensure cross-training and coverage for the maintenance of City buildings.
- Continue to look for opportunities for cost savings but apply them in such manners that will least impact services to the citizens and community. The FY 07-08 operating budget proposed resuming cost sharing with the Milpitas Unified School District for one school resource police officer. The City continued to fund these positions when the School District's budget was in distress. The School District is receptive to resumption of cost sharing next year.
- Introduce new fees and fee adjustments that will increase revenue by approximately \$220,000. The FY 07-08 budget includes a small increase in Recreation service fees to offset some of the cost increases over the years. It also includes a new processing fee for business license applications and annual renewals to offset a portion of the processing costs.
- Begin funding a portion of the outstanding retiree medical benefits liability by establishing an irrevocable trust, in anticipation of the requirements of Government Accounting Standards Board Statement No. 45.
- Careful evaluation of infrastructure and programming needs in the Five-year Capital Improvement Program to fund and deliver the Council's highest priority projects. These projects will include construction of the new Library, a Midtown parking garage, and major infrastructure and street improvement in Main Street and Abel Street. All these capital improvement projects, centered in the Midtown area, are prioritized to encourage commercial and residential development that will provide economic stability in that area.
- Address the needs of deferred maintenance and equipment replacement for City buildings by funding a Capital Improvement project for Building Improvements in the amount of \$500,000.
- Complete Phase II of the Transit Sub-Area Land use Plan around the southern boundary of Milpitas in order to focus on developments that will integrate with the light rail system and the future BART system.
- Retain and recruit businesses in the City. Two new businesses, Spectra Laboratories and Advanced Medical Optics will relocate to the City within next fiscal year. These new businesses will generate increased sales tax and property tax revenues.

- Continue to stabilize the General Fund expenditure and revenue in order to maintain a high “AA” general credit rating from Standard & Poor’s.

BUDGET OVERVIEW

The total Annual Budget for FY 2007-08 is \$128,806,631. This is a 21.5% decrease from the FY 2006-07 Annual Budget. Excluding the City’s FY 07-08 Capital Improvement Budget, the total operating budget is \$120,361,631, a 9.9% increase from last year. The total budget includes the City’s Water and Sewer Utility enterprise budgets of \$12,751,621 and \$9,794,386 respectively. It also includes the City’s Redevelopment Agency (RDA) budget of \$26,508,643. The total budget for capital improvements for FY 07-08 is \$8,445,000. A separate Capital Improvement Program (CIP) budget document is produced annually that provides a detailed description of each project. The CIP document includes all projects for the budget year as well as profiling anticipated community needs over the subsequent four years. A summary of each project description and funding requirement can be found on pages 157 through 169 of this document.

The General Fund budget is \$71,633,627, a 4.9% increase compared to FY 2006-07. The primary component of this increase is in the category of Salaries and Benefits. Salaries and Benefits show a net increase of 5.5% from last year due to a combination of factors: negotiated wage increases in accordance with the labor contracts, increased medical insurance premium and pre-funding of retiree medical benefits.

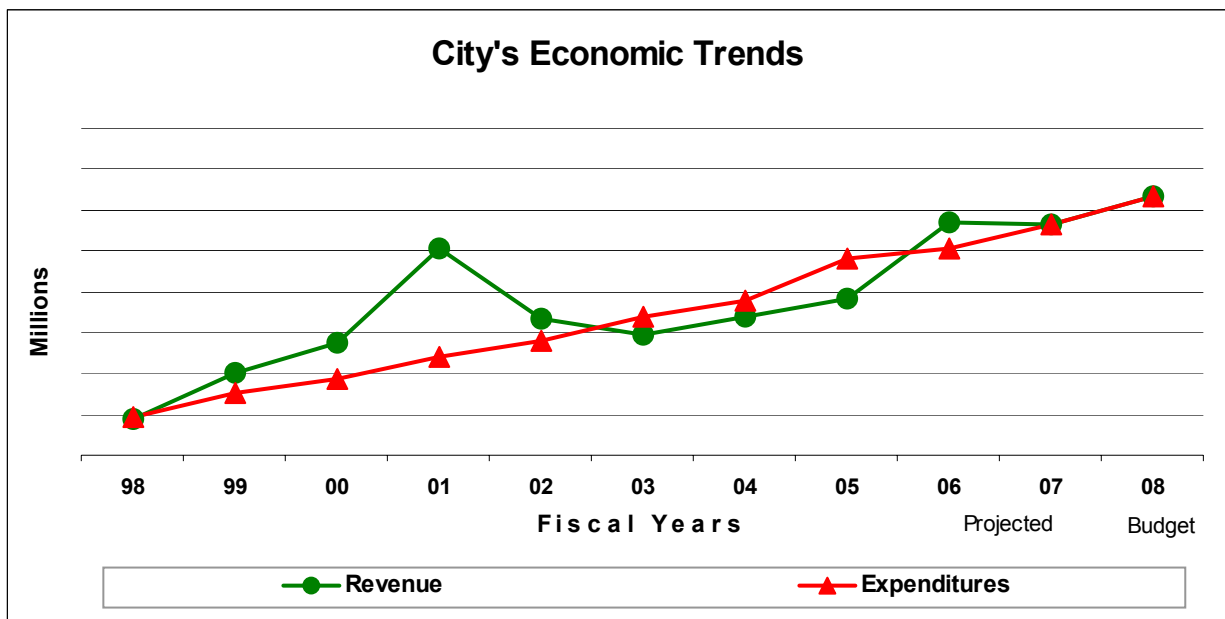
Services and supplies increased by 2.5% compared to last year primarily due to increased funding for the following: equipment and vehicle replacement in the form of amortization charge to the user departments, citywide utility expenditures for electricity, gas and water, and repairs and maintenance expenditures.

Although the General Fund budget anticipates an overall 10.7% revenue increase in FY 07-08 compared to FY 06-07 original estimate, the City has been challenged with structural budget deficits since FY 2002. Due to decrease of the General Fund revenues from FY 2002 through 2004, expenditures began to outpace revenue growth. The recent recovery of General Fund revenues is not sufficient to reverse this trend. In order to balance FY 07-08 budget without using any General Fund reserves, the budget includes cost saving measures, new revenues and other funding strategies as follows:

- Continue the present hiring freeze of the funded positions in all but the most necessary positions in FY 07-08. The strategy contributes about \$1.1 million savings for next year.
- Demand a loan payment of \$6 million from the Redevelopment Agency. The Agency purchased several properties from the City for redevelopment purposes. Simultaneously, the Agency entered into a loan agreement with the City for the cost of the properties which amounted to \$29.3 million plus interest on unpaid balance. The City has the right to demand payments when needed. Prior to FY 06-07, the Agency has not made any payments to the City. The FY 06-07 operating budget included a \$6.1 million scheduled payment from the Agency. However, the revised projection for the City’s General Fund indicated that revenues will most likely be higher than original estimate, thus reducing the need to rely on the \$6.1 million payment to close the budget cap. Staff recommends deferring a portion of the loan payment to future years. The Proposed FY 07-08 budget again includes a \$6 million loan payment from the Agency.

- Utilize a portion of the 2% Transient Occupancy Tax (TOT) revenues to fund performing art programs. The City increased the TOT rate from 8% to 10% in 2001 pursuant to the voters' approved Measure H and Measure I. Measure H, an advisory vote, allows the increased 2% TOT revenue to be used to support performing and visual arts programs. The Proposed FY 07-08 budget recommends using \$260,000 of the 2% TOT revenue to fund a portion of the operating expenditures of the Rainbow Theatre and other performing art programs.
- Resume a cost sharing agreement with the Milpitas Unified School District for one school resource officer that will save the City approximately \$90,000.
- Introduce new fees and fee adjustments that will bring in about \$220,000 revenues. The City's business license tax has not been adjusted since the 1970's. Currently, the cost for processing business license applications and annual renewals is equivalent to the amount of business license tax collected. The FY 07-08 operating budget proposed a business license processing fee that will recover about \$150,000 to offset a portion of the processing costs. In addition, there will be minor fee adjustments in selected Recreation programs, primarily to increase fees for non-residents that utilize the City's Recreation programs and facilities.
- FY 07-08 Operating budget does not anticipate utilizing any of the General Fund reserve balance. The remaining unreserved, undesignated fund balance will be approximately \$12.3 million which at 17.3% of the FY 07-08 budget proposed appropriations is in compliance with the City's budget policy of maintaining a 15% reserve.

The following chart provides the historical trend of the General Fund revenues and expenditures from FY 98-99 through FY 06-07, along with the budget projections for FY 07-08.



Economic Trends, Development and Profile

Milpitas is situated within the Silicon Valley region, known throughout the world as the home of high technology, innovation and research. Milpitas, considered the “Crossroads of Silicon Valley,” with most of its 13.6 square miles of land situated between two major freeways, I-680 and I-880, has experienced tremendous growth since its incorporation in 1954. Over the past 30 years, the population growth has increased from 26,561 in 1970 to 62,698 in 2000 (latest census). The Bay Area has experienced significant employment growth from 1992 through 2000, adding more than 170,000 jobs. However, in 2001, Santa Clara County experienced its first negative job growth since 1992. Between 2001 and 2004, over 130,000 jobs were lost as a result of the economic recession. This region is severely impacted due to concentration of the high-tech industry and the shifting of some of these technology and manufacturing jobs overseas. Milpitas is similarly impacted because of its location and comparable economic mix. In the last three years, the economy has shown signs of recovery as indicated by increased sales tax revenue, transient occupancy tax revenue and property tax revenue. The following section entitled “Major Development Activities in the City” will discuss some of the more large scale development activities that are occurring in Milpitas.

There are approximately 1,790 acres or 2.9 square miles of land area in the City limits designated for various industrial uses; about 271 acres are vacant and available in parcels ranging in size from ½ acre to 75 acres. Included in this acreage total are eight industrial parks and 550 manufacturing plants. An estimated 350 acres of land are dedicated to regional and community retail centers supporting 3.5 million square feet of commercial shops. The Great Mall of the Bay Area is the largest enclosed mall in Northern California, with approximately 1.1 million square feet of leasable space for retail and entertainment operations. Several local shopping centers serve regional needs for Asian-oriented retail and services.

The leading economic segments are restaurants, apparel stores and electronics equipment. The five largest manufacturing employers are Cisco Systems, Inc., Lifescan Inc., LSI Logic Corporation, Seagate Technology and Solectron Corporation. Other major employers include SanDisk, Linear Technology, and KLA-Tencor. Several of these top employers make Milpitas their corporate headquarters. The two largest non-manufacturing employers in Milpitas are The Great Mall of the Bay Area and the Milpitas Unified School District.

Milpitas Redevelopment Agency (RDA) is one of the top ten RDAs in the State. With the 2003 expansion of the RDA, Redevelopment Area 1 encompasses 2,230 acres or 26% of the City. The Project area produces over \$27 million in annual gross tax increment. In November 2003 the RDA issued \$200 million in tax allocation bonds to generate funds for key City and Agency projects including a new library, major infrastructure improvements and a new senior center.

Major Development Activities in the City

Midtown Specific Plan – The vision for this area includes high density housing within walking distance to light rail and BART to support the public investment in mass transit, transforming neighborhoods into an attractive and economically vital district with plazas and network of pedestrian and bicycle trails, a vibrant streetscape along the north end of Main Street and a mixture of housing, shopping, employment, entertainment, and cultural and recreational

opportunities. The implementation efforts began by several capital improvement projects such as the new Library, parking garage, Main Street and Abel Street infrastructure improvements. Other development activities that are being planned by outside agencies include the design and construction of a County Health Center, parking garage and a 103-unit Senior Housing restricted for low-income seniors.

Transit Sub-Area Land Use Plan – The City developed phase I of a Transit Sub-Area Land Use Plan which provides development concept for the area surrounding the future Montague/Capitol BART station and two VTA Light Rail Stations. In FY 06-07, the City will complete phase II of the Plan which will include a general plan amendment, zoning changes, design guidelines, fiscal impact study and environmental report. The intent of the Plan is to foster economic development of the area, strengthen and expand retail uses to increase sales tax revenues, attract major retailers and provide housing and amenities such as parks, schools, retail and restaurants.

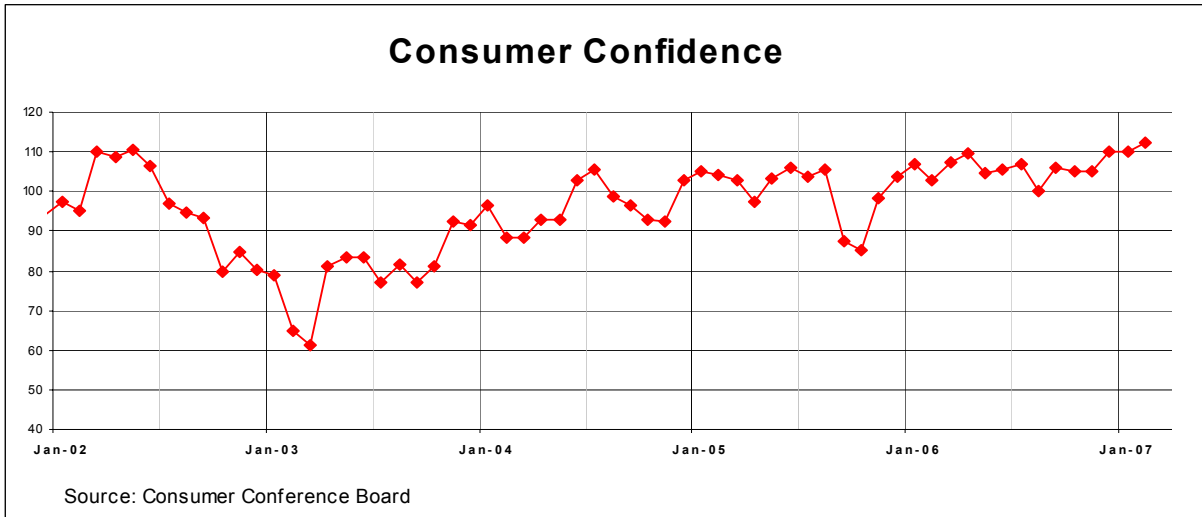
Residential Development – Residential development activities remained relatively strong. Milpitas represents one of the more affordable alternatives in Santa Clara County, with median home prices at \$670,000, lower than the County's median home price of \$680,000. Residential development approvals in progress outside the Midtown area include Barry Swenson's Twin Towers (181 condominium units), Aspen Apartments (101 units), and Town Center (65 housing units). Spurred by the high density potential of the Midtown Plan, residential and mixed use developments that are in the planning stage include Apton Plaza (98 condominium units and 3,000 square feet of retail space), and under construction include Centria (481 condominium units), and Paragon (141 townhouse units). Other residential development under construction includes 683 condominium and townhouse units of the KB Homes project, of which 110 units will be deed restricted for affordable housing.

Non-residential Development – Non-residential development includes redevelopment of existing tenant spaces and buildings in the Town Center. A Super Safeway was added to the Town Center as a major anchor store. Construction was completed in April 2007. Other commercial development activities include the development of land adjacent to the KB Homes for three car dealerships. Piercy Toyota was approved to construct a 70,000 square foot showroom and a 52-bay service area at that site. It is anticipated that construction will compete in the fall of 2007.

Great Mall of the Bay Area - The Great Mall is the largest enclosed mall in Northern California, with approximately 1.1 million square foot of leasable space. The Simon Group, the new owner of the Great Mall, continued its efforts to attract new anchor tenants. A Neiman Marcus outlet was added in 2006. Other new tenants currently under negotiation will be added next year.

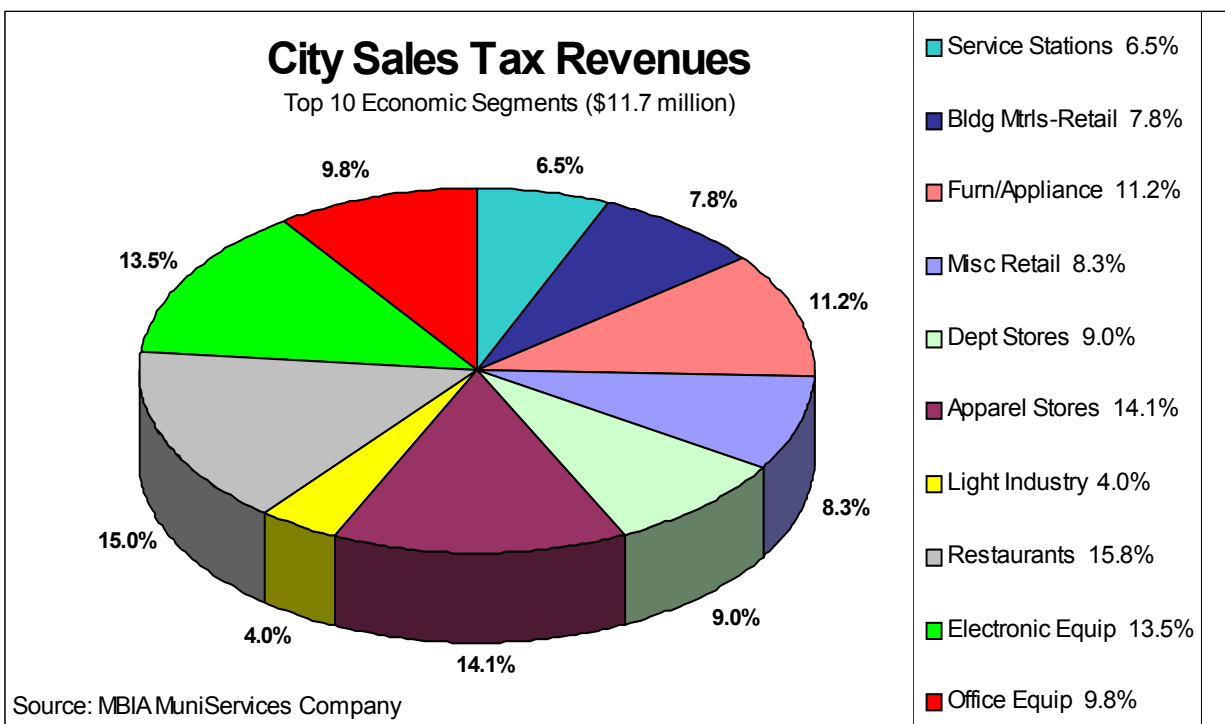
Consumer Confidence Level

The consumer confidence index in February 2007 was at its highest since 2002. The overall consumers' assessment of current economic conditions remains favorable, primarily due to improved job outlook. Consumers are more optimistic than they were a year ago, which could lead to more consumer spending. This sentiment is reflected by increased local sales tax revenue in recent months.



Top Ten Sales Tax Generators by Economic Segment

The chart below provides a snapshot of the City's sales tax revenue by economic segment in the last four quarters. Total amount of sales tax revenue for the latest benchmark year was about \$13.8 million, with the top ten economic segments generated about \$11.7 million. Sectors such as general retail and food products lead the increases over a year ago.



Revised General Fund Revenue Estimates for Current Fiscal Year 2006-2007

Recent economic recovery in the Bay Area continued to improve the City's revenue. The year-to-date revenue was better than projected, primarily due to the improved economy and increased development activities locally. **The revised revenue estimates for FY 2006-07 assume that General Fund revenues will be \$3.3 million (6.5%) more than budgeted.**

Sales tax revenues are expected to be \$1.4 million more than budget primarily due to economy recovery that increased sales tax revenues from apparel stores, restaurants and furniture and appliances economic segments. Building permit revenue is expected to be almost \$420,000 more than originally estimated due to continued residential development activities in the City.

Transient Occupancy Tax (TOT) revenue is expected to be more than original estimate by \$480,000 primarily due to increased occupancy and increased room rates. Property tax is expected to be approximately the same as original projection.

Other revenues such as charges for services and miscellaneous revenue also show increases over original estimates. The increase in charges for services of about \$790,000 is primarily related to reimbursement of staff's services provided to private developers. The miscellaneous revenue increase of about \$190,000 is related to booking fee reimbursement from the State and Federal grants that were not included in the original revenue projection.

Due to revenue increases experienced in several major revenue sources, the General Fund is projected to close out the fiscal year using about \$1.5 million of the loan payment from Redevelopment Agency. The FY 06-07 budget scheduled a \$6.1 million payment from the Redevelopment Agency Fund, for acquisition of several key City properties for redevelopment purposes. Staff proposes to defer the remaining balance to future years, as one of the strategies to balance FY 07-08 budget.

REVENUES AND OTHER FINANCING SOURCES

Revenue detail is shown in the Financial Information section of the budget. A summary of revenues, including transfers between funds, and the increase or use of fund balances for various funds is shown on the following chart as a comparison between FY 06-07 and FY 07-08.

REVENUES AND OTHER FINANCING SOURCES

<u>Fund</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>Over (Under) Prior Year</u>
General	\$68,300,030	\$ 71,633,627	\$ 3,333,597
Library	345,000	345,000	0
Special Revenue	3,805,675	3,757,044	(48,631)
Capital Project	2,705,239	4,016,310	1,311,071
Redevelopment	60,134,501	26,508,643	(33,625,858)
Water	11,446,545	12,751,621	1,305,076
Sewer	17,400,700	9,794,386	(7,606,314)
Total	<u>\$164,137,690</u>	<u>\$128,806,631</u>	<u>\$ (35,331,059)</u>

Revenue Estimates for Fiscal Year 2007-08

Total estimated revenue and other financing sources that include the use of reserves are estimated to decrease by \$35.3 million compared to the FY 2006-07 budget. In FY 2006-07 the General Fund revenue was originally estimated to be lower but was revised upward by \$3.3 million to reflect the economic improvement experienced in the past year. In FY 07-08, General Fund revenues are expected to be approximately \$2.1 million higher than FY 06-07's revised revenue of \$53.5 million due to continued economic recovery as evidenced by the increase in sales tax and Transient Occupancy tax revenues as well as increased development activities locally. The assumptions for projection and analysis of the major revenue sources are discussed below.

General Fund Revenue Estimates

FY 2007-08 estimated General Fund revenue assume a \$5.4 million or 10.7% increase over FY 06-07 budgeted revenue but 3.9% or \$2.1 million increase from FY 06-07 revised revenue projection. Some of the changes include the following.

Sales tax revenues for FY 06-07 are revised to be more than budget by \$1.4 million. Although the Association of Bay Area Governments (ABAG)'s forecast is 8% increase for the Santa Clara County next year, our assumption for FY 07-08 sales tax revenue is a 5.8% increase over FY 06-07 revised estimate, more conservative than ABAG's projection. Total sales tax revenue is estimated to be \$18.7 million. The projection is based on continued economic recovery locally in the electronic economic segment and increased sales in the food products and general retail economic segments. The Great Mall of the Bay Area shopping mall has added new anchor stores which will generate increased sales. In addition, a major car dealership is expected to open its operation in Milpitas in FY 07-08.

Building permit revenue for FY 07-08 is estimated to be \$420,000 more than budget due to increased commercial and residential development activities. In FY 07-08, building permit revenues are projected to be approximately \$4.1 million at more or less the same level as FY 06-07 revised revenue. The projection is based on the number of recent applications submitted and the size of the projects. It is anticipated KB Homes, Centria and Paragon will continue with their construction activities and other residential development projects Town Center and Apton Plaza will commence.

Property tax revenues are estimated to increase by 4.5% in FY 07-08, based on the report of growth on assessed valuation provided by the County Assessor. The increase is primarily due to improved economy, changes of ownership and newly constructed properties that add to the tax roll.

Hotel/motel Transient Occupancy Tax (TOT) revenue showed an increase of \$480,000 or 13% over budget in FY 06-07. It is projected that FY 07-08 TOT will increase by a modest 1.5% to \$4.9 million. The projection is conservative but given the huge increase experienced in FY 06-07, staff anticipates the growth rate to slow down somewhat in FY 07-08.

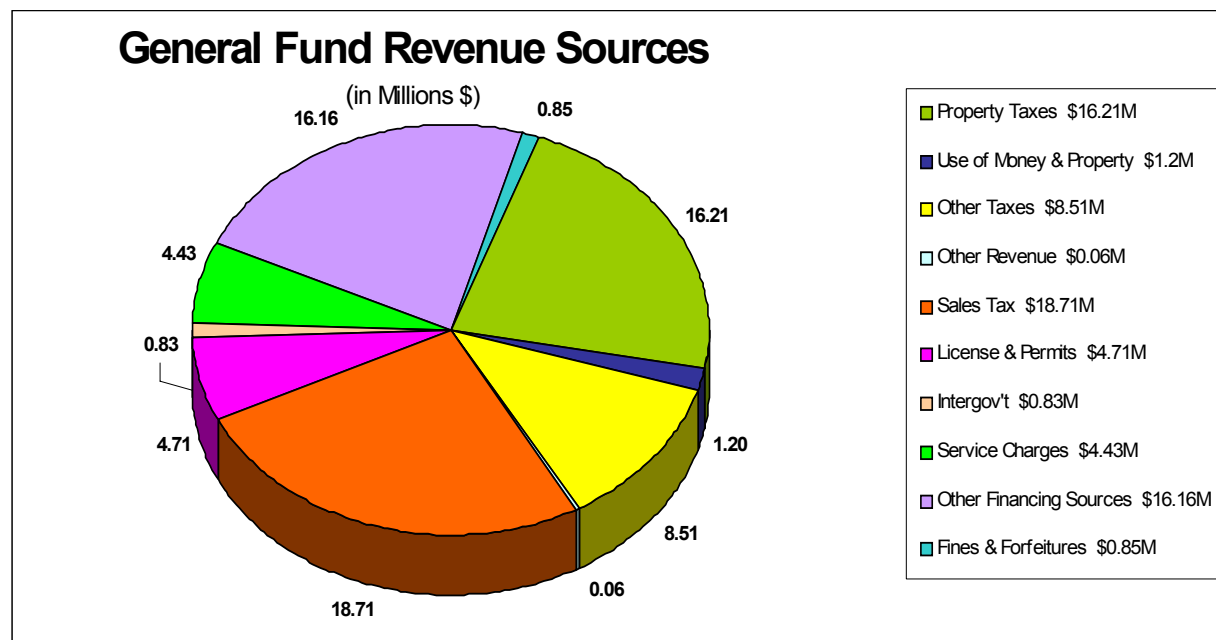
Interest income is anticipated to increase by \$207,000 compared to the FY 06-07 budget, primarily due to higher investment earnings on the investment portfolio as some of the lower yield securities matured. Projected interest income for FY 07-08 is approximately \$1.2 million. Interest income is based on projected earnings from the current portfolio at an assumed reinvestment rate of 4.75% that will be allocated to the General Fund based on projected cash balance.

Other Financing Sources consisted of two funding sources and are shown as operating transfers in the budget document. The first financing source is a loan payment of \$6 million from the Redevelopment Agency. This payment will repay a portion of the outstanding principal and interest owed by the Agency pursuant to a loan agreement. This was discussed in detail in the Budget Overview section. The second component of the other financing sources are operating transfers between funds primarily to allocate operating costs and capital budget contributions from one project fund to another.

Cost Allocation. A cost allocation worksheet is utilized to allocate central service costs that are typically budgeted in the General fund to various programs in order to determine the full cost of providing City services. In FY 06-07, the City conducted an updated Cost Allocation study to calculate the percentage of costs that should be allocated to each major program and major operating fund. The results from the study were applied to the Proposed FY 07-08 budget.

For each City service or program, in addition to direct staff support and appropriation for supplies and services, it also receives support from the administrative staff and benefits from centralized services such as building occupancy and equipment maintenance. These indirect costs need to be allocated to each major service or program in order to determine the full cost of providing City services. Similarly, the Cost Allocation Study also computed the percentage of centralized costs that should be assigned to other operating funds. These centralized costs are typically budgeted and advanced by the General Fund. Cost allocation is necessary to ensure that each of these operating funds share the administrative and overhead costs equitably. A summary Internal Cost Allocation Schedule showing the cost allocation by fund for FY 07-08 can be found on pages 88 to 89.

The chart below provides an overview of the City's General Fund revenue sources including operating transfers from other funds.



RDA Revenue Estimates

FY 06-07 Redevelopment property tax increment was revised downward by \$1.1 million or 4% to \$27.1 million primarily due to decreased assessed valuation on unsecured properties. However, FY 07-08 tax increment is expected to increase by 4.5%, based on the report of growth on assessed valuation provided by the County Assessor. Although the commercial properties still experienced relatively high vacancy rates, assessed valuation on residential properties remained stable. The addition of new housing units in the Project area should contribute to higher tax increment revenues.

Utility Rates

Utility rate increase for Water and Sewer operations were not included in the FY 07-08 proposed budget. Approximately 50% of the utility operation costs were attributed to outside agencies costs that were passed through to the utility ratepayers. These costs include wholesale water costs from the Santa Clara Valley Water District, San Francisco Public Utility Commission as well as City's share of capital improvement project costs for Water operation. The San Jose/Santa Clara Sewer Treatment Plant operation and capital improvement project costs were also passed through to the ratepayers for the Sewer operation. In the past, the City had to estimate these pass-through cost increases due to timing of the budget preparation cycle of these outside agencies do not coincide with the City's. For FY 07-08, the City decided to delay its utility rate hearing to the beginning of next fiscal year to ascertain the pass-through rate increases. The City anticipates that utility consumption will remain stable in FY 07-08.

EXPENDITURES

A budget comparison of appropriations for all funds between FY 06-07 (Adopted Budget) and FY 07-08 (Proposed Budget) is as follows:

<u>Appropriations</u>	<u>Adopted Budget FY 06-07</u>	<u>Proposed Budget FY 07-08</u>	<u>Over (Under) Prior Year</u>
Salaries & Benefits	\$ 60,886,955	\$ 64,315,248	\$ 3,428,293
Services & Supplies	30,072,691	36,716,266	6,643,575
Capital Outlay	550,750	625,117	74,367
Subtotal	\$ 91,510,396	\$ 101,656,631	\$ 10,146,235
Capital Improvement	54,651,294	8,445,000	(46,206,294)
Debt Service	17,976,000	18,705,000	729,000
Total Appropriations	\$ 164,137,690	\$ 128,806,631	\$ (35,331,059)

Total expenditures represent an overall 21.5% decrease from FY 06-07. Operating expenditures, excluding capital improvement, increased by 9.9% compared to last year. Following is a summary of the changes in operating expenditures by category:

Salaries and benefits are expected to increase by 5.6%. The net increase to the General Fund is \$3 million (5.5%). The total citywide budget increase in this category is \$3.43 million. The projected FY 07-08 salary and wage increases reflect negotiated increases in accordance with various Memoranda of Understanding. Health insurance premiums are anticipated to

increase by approximately 8% in January 2008. In addition, the FY 07-08 budget includes pre-funding of retiree medical benefits in the amount of \$1.9 million citywide and \$1.7 million for the General Fund. Excluding the pre-funding of retiree medical benefits, the increases would have been 2.5% citywide and 2.2% for the General Fund.

Services and supplies are expected to increase by \$6.64 million or 22.1% citywide, with \$300,000 (2.5%) increase in the General Fund. The services and supplies budget include services that were provided by outside parties. The expenditure increase includes \$5.3 million housing loan and silent second mortgages that will be funded by the Housing Set-aside Fund in FY 07-08. Other cost increases are due to cost increases from outside agencies or vendors that are beyond the control of the City. For example, the City's utility expenses are anticipated to increase by 6% or \$160,000. The costs of water purchased from San Francisco Public Utility Commission and Santa Clara Valley Water District is anticipate to increase by \$313,000. The amount that the Sewer Fund has to contribute to the San Jose/Santa Clara Water Pollution Control Plant will also increase by \$1.05 million. General Fund is similarly impacted as it pays for majority of the gas and electricity costs. Other increases include equipment replacement in the form of amortization charge to the user departments and maintenance for City buildings.

Capital Outlay - This category includes new and scheduled vehicle and equipment replacements. Total capital outlay request for FY 07-08 is \$625,000. Approximately \$428,000 of the equipment and vehicles will be fully funded by the Equipment Replacement Fund. Major Capital outlay requests include replacement of twelve vehicles, 2 for Parks and Recreation Department, 1 for Public Works Department, and 9 for Police Department. Other capital outlay requests include replacement of defibrillators for the Fire Department and hydrants and water meters for Public Works.

Debt Service is projected to increase \$729,000 in FY 07-08 due to issuance of the 2006 Certificates of Participation (2006 COPs) to finance capital improvements to the sewer system. The debt service payment for the 2006 COPs is approximately \$690,000 annually. Included in the debt service category are payments for two outstanding debt issues, the 2000 Certificates of Participation (Technology COPS) and 2003 Redevelopment Agency Tax Allocation Bonds, the 2006 COPs, and a \$4 million obligation to the County of Santa Clara created by a Purchase and Sale Agreement between the County and the Redevelopment Agency.

The City's legal bonded debt limit, as established by the California Government Code, is approximately \$373 million. Currently, the 2006 Certificates of Participation issued in 2006 has an outstanding balance of \$9,535,000, the Technology Financing Phase I Certificates of Participation issued in 2000 has an outstanding balance of \$2,410,000 and the Redevelopment Agency Tax Allocation Bonds issued in 2003 has an outstanding balance of \$187,030,000. Neither one of these bonded debts is subject to the legal debt limit. The interest rates of the outstanding bonds range from 2.75% to 5.25% and the final payments will occur between fiscal years 2010 and 2033.

The City's debt policy includes a comprehensive, thorough review and analysis of the City's long-term capital project needs. Once project needs are established and prioritized, funding options are reviewed. Depending on the funding requirements and available reserves, either existing reserves are used or tax-exempt securities are issued.

The following table shows the annual debt service requirements for the three outstanding debt issues and the obligation created by the Purchase and Sale Agreement:

Year Ending June 30	Total Principal	Total Interest
2008	\$ 8,865,350	\$ 9,838,302
2009	8,825,810	9,807,479
2010	8,524,105	9,746,247
2011	8,594,862	9,697,315
2012	8,632,725	9,646,686
2013-2017	47,522,552	47,585,539
2018-2022	55,749,566	44,077,616
2023-2027	55,783,124	20,833,614
2028-2032	38,755,000	5,246,960
2033	4,565,000	112,984
Total	\$245,818,094	\$166,592,74

CAPITAL IMPROVEMENTS

The Capital Improvement Budget funding for FY 07-08 by Project Category is as follows:

<u>Project Category</u>	<u>Adoped Budget</u>	<u>Percentage of Total</u>
Community Improvements	\$1,690,000	20.01%
Park Improvements	590,000	6.99%
Street Improvements	3,305,000	39.13%
Water improvements	2,540,000	30.08%
Sewer Improvements	150,000	1.78%
Storm Drain Improvements	170,000	2.01%
Total	\$8,445,000	100.00%

The total FY 07-08 Proposed Capital Improvement Program (CIP) funding is \$46.2 million less than the FY 06-07 CIP, primarily due to funding for three major projects, \$33.7 million for construction of the New Library, \$6.35 million for Midtown Streetscape, and \$9.2 million for Main Sewage Pump Station in FY 06-07 that are non-recurring in FY 07-08. Most of the proposed projects are much smaller in scale in FY 07-08. An extensive prioritization of all CIP projects for consistency with available resources and future needs has been performed to ensure that the selected projects can be accomplished.

The Capital Improvement Budget has been reviewed by the Planning Commission to determine its conformance with the City's General Plan. Park improvement projects for FY 07-08 were also reviewed by the Parks, Recreation and Cultural Arts Commission.

Although cost savings is one of the considerations in implementing the capital improvement program, many projects are prioritized for reasons such as health and safety for the public, replacement of deteriorated capital assets or systems, or enhancement of economic development and quality of life for the citizens. New buildings tend to be more energy efficient and replacing deteriorated capital assets tend to save repair costs in the long run. The actual cost savings is difficult to quantify. On the other hand, some of these projects will increase operating costs upon completion. These costs, to the extent that they can be estimated, are identified in the Capital Budget section of this document. Total estimated maintenance costs is approximately \$14,000 annually. The increased operating costs for each of project are identified in the Capital Budget Section of this document.

The Capital Budget Section also provides a brief description and status of the projects to be funded in FY 07-08. For further details on the capital improvement projects, a separate Five Year Capital Improvement Program FY 2007-2012 prepared by the Engineering Division may be obtained at 455 E. Calaveras Blvd, Milpitas, CA 95035.

FUND BALANCES/RETAINED EARNINGS

An important resource for a City is the funding that is available for future appropriations and unexpected emergencies. A complete schedule of the Budget Summary of the Revenue, Expenditures, Transfers, and Fund Balances is shown in the Financial Information section of the Budget.

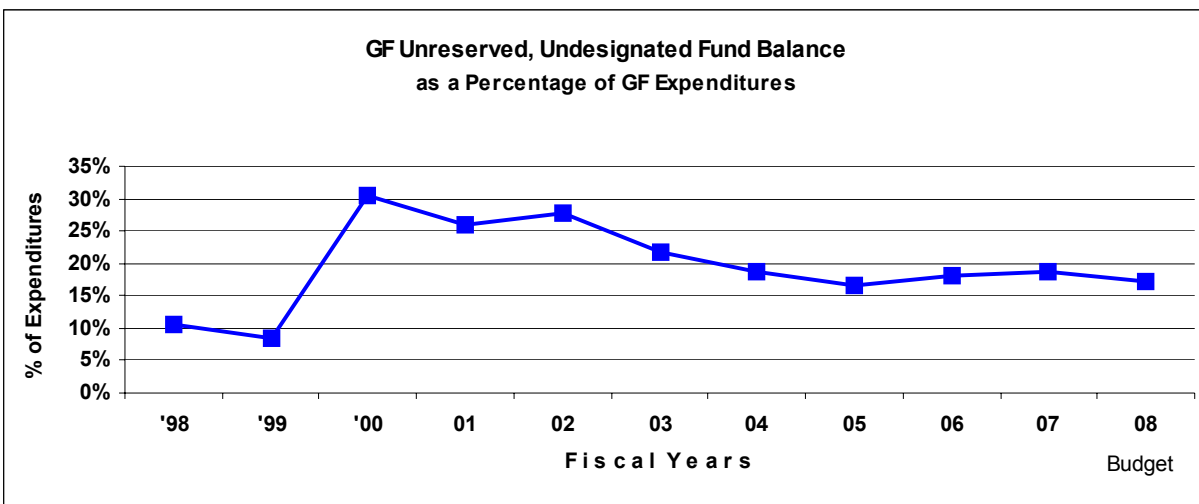
The following schedule shows the estimated undesignated Fund Balance for the General Fund and the percentage of the balance in relation to the Fund's total appropriations. Also shown are the total estimated fund balances for the Restricted Funds:

<u>Fund</u>	<u>Budgeted Expenditures FY 07-08</u>	<u>Estimated Balance 6/30/08</u>	<u>% of Budgeted Expenditures</u>
<u>Unreserved – Undesignated</u>			
General	\$ 71,633,627	\$ 12,391,000	17.3%
<u>Restricted</u>			
HCD		2,728,223	
Street Improvement		8,815,690	
General Government CIP		1,017,000	
Park		6,771,000	
Water		15,980,658	
Sewer		18,942,662	
Storm Drain		877,000	
Redevelopment		104,526,079	
Library		4,904,000	
Other		11,037,602	

The projected percentage of the estimated unreserved, undesignated fund balance for the General Fund is 17.3% which meets the Council's policy of maintaining a minimum unreserved,

undesignated fund balance at 15% of the General Fund budget appropriations. It is also projected that \$5.4 million unreserved fund balance, designated for the PERS Rate Stabilization Reserve will remain at the end of FY 07-08.

The chart below provides a historical perspective of the City's General Fund unreserved, undesignated fund balance as a percentage of General Fund expenditures



The Restricted Funds listed above have legal restrictions on the way in which the funds may be used. The estimated fund balances in the Restricted Funds include amounts that have already been committed for projects or programs approved by the Council/Agency. In addition, the Restricted Funds fund balances include bond proceeds or anticipated bond proceeds that have legal restrictions for their use as outlined in the bond documents.

FIVE YEAR GENERAL FUND FORECAST

The Five-year General Fund Forecast allows the Council and the community to assess the sustainability of City services in the long term. The projection also identifies the type of commitments and resource demands in the next five years. The Five Year General Fund Projection schedule can be found in the Financial Information Section of this document, immediately behind the 2007-08 Budget Summary.

Property tax revenues are expected to increase 5% in FY 08-09 and 4% in subsequent years. Although Proposition 13 limited the annual assessed value adjustments to the lesser of the increase in the California consumer price index or 2%, staff's projections are higher due to new construction that will be added to the tax roll, change of ownerships and assessed valuation increase for unsecured properties as local businesses continue to recover and add capital assets. As evidenced by the plan check and building permit service demands, there are still plenty of development activities occurring in the City. Staff expected that construction of some of these development will complete in phases in the next few years and add to the assessed valuation.

Sales tax revenues are projected to increase 6.3% in FY 08-09 and FY 09-10, and 4% in FY 10-11 through FY 2012-13. In addition to assuming the continued recovery of the economy, the increases factored in the opening of a major car dealership in the fall of 2007 and subsequent

opening of at least one more car dealership in FY 09-10. With the addition of residents as some of residential developments are completed and occupied, it is anticipated that Milpitas businesses will capture a portion of the consumers' spending. Recent sales tax revenue trend shows that the retail and restaurant economic segment continue to be strong. The Great Mall of the Bay Area continues to renovate and add anchor stores and has become a regional attraction in recent years.

Hotel tax revenues are projected to increase 3% annually starting from FY 08-09. Hotel occupancy has increased in recent years and is expected to stabilize in the next few years. It is assumed that the hotel operators will increase room price by the average consumer price index which is approximately 3% to recover costs.

Other Taxes include real estate transfer tax, franchise tax and business license tax. As residential units are being developed and occupied, it is anticipated that the City will collect more real estate transfer tax and franchise tax from utility and cable companies. The projection is 4% increase in FY 08-09 through FY 10-11, and tapering off to 3.5% increase in FY 11-12 and FY 12-13 respectively.

License and permits consist of building permits and fire permits which are primarily construction related. Due to the number of applications submitted for Midtown and potential developments in the Transit Sub-area, it is anticipated that these fees will remain at a high level for a couple of years. The projection for FY 08-09 and FY 09-10 is 5% increase annually and 3.5% increase annually for the subsequent years.

Charges for Services include charges for private development related services, engineering fees and recreation services charges. It is anticipated that the increases in charges to developers will be similar to the increases for license and permits. Therefore, the projection for FY 08-09 and FY 09-10 is 3.5% increase annually and 3% increase annually for the subsequent years.

Operating transfers are mainly reimbursements from other funds for the staff support and administrative overhead provided by General Fund. These transfers will increase in conjunction with operating expenditure increases. In addition, operating transfers also include an annual loan repayment of \$4 million from the Redevelopment Agency. The City's Five Year Capital Improvement Program anticipates storm drain improvement projects. The City Council could consider collecting storm drain fee which requires voters' approval. Unless then, the General Fund is the only feasible funding source for these capital improvement projects which will require an annual funding of \$1 million and transfer to the Storm Drain Fund starting from FY 09-10. The City issued Technology Certificates of Participation in 2000 to fund technology capital improvement projects. As some of these equipment and systems become outdated, they will need to be replaced. The Five Year Forecast anticipates an annual funding and transfer to the Technology Replacement Fund beginning in FY 09-10 in the amount of \$250,000.

Salaries and benefits other than medical insurance are anticipated to increase by 3% annually. The consumer price index (CPI) increase in the San Francisco-Oakland-San Jose area averaged around 3% in the last ten years. The projection for salary and benefits is based on historical increase of the CPI. It is also assumed that employer contribution rates to the California Public Employees Retirement System will remain stable. Medical insurance premiums will increase faster than CPI and is estimated to be 8% annually. Beginning in FY 07-08, the City will contribute towards the unfunded retiree medical benefits liability pursuant to GASB 45. Based on an actuarial study conducted in April 2005, the normal cost of the contribution is approximately 5% of the annual payroll. The Five-Year General Fund forecasts include the funding requirement in the benefits category.

Services and Supplies costs are anticipated to increase by 3% annually, assuming an average CPI increase of 3%.

Capital Outlay includes funding for both equipment replacement and capital improvement projects. Majority of the equipment replacement will be funded by the Equipment Replacement Fund. The City established equipment replacement for capital assets over \$5,000 and the replacements costs are charged to the user departments as equipment amortization expenditures annually. Consequently, the projection for capital outlay includes only capital improvement projects and capital outlay that no prior replacement fund has been set-aside.

Debt Service for the only General Fund debt will mature in FY 08-09. The debt was issued to fund the City's technological equipment and system needs. The City does not contemplate issuing another General Fund debt in the next five years.

ACKNOWLEDGEMENTS

We want to thank the Mayor and City Council for their guidance and integrity in directing the financial affairs of the City in a most responsible and progressive manner. We also extend our appreciation to the Finance Department staff who worked on the budget, along with all the Division/Department Heads and the Budget Liaisons for their hard work, assistance, and cooperation in preparing this Budget.

The overall budget envisions an operating program that carefully considers the general economic climate in conjunction with the many progressive projects and programs the City will be providing to the citizens of Milpitas. The Budget establishes the projected resources to pay for all requested appropriations. The City Council and members of the Redevelopment Agency have guided the City of Milpitas to a very stable financial position that enables the City to undertake new capital improvement projects while maintaining its high level of services for all Milpitas citizens, even during difficult economic situations. The City Council's approval of the FY 07-08 Budget continues its commitment to excellence in citizen services and prudent financial management.

Respectfully submitted,



Thomas C. Williams

City Manager



Emma C. Karlen, CPA

Director of Financial Services

Budget Guidelines

The annual operating budget is the primary short-term financial plan for the City. The operating budget shall serve as the policy document of the City Council for implementing Council goals and objectives. It is used to set forth the City's estimates of resources available to fund services that are consistent with the Council's goals. Since no plan will prove to be an absolutely accurate reflection of future events, management must have sufficient flexibility to make adjustments during the year, provided these adjustments do not materially alter the general intent of the City Council when adopting the budget. These guidelines are intended to provide that flexibility and to establish adequate controls, through budget monitoring and periodic reporting, to ensure that the overall distribution of resources achieves the results contemplated by the City Council.

Annually, the City Council establishes priorities regarding service levels to provide guidance to management in preparing the recommended budget. Through its legislative authority, the Council approves and adopts the budget by resolution.

The City Manager is responsible for proposing to the City Council a balanced budget which is consistent with the Council's service level priorities and sound business practices. Balanced budget is defined as a budget where the anticipated operating revenues and other financing resources including carryover of outstanding encumbrances from prior year are equal to or exceed operating expenditures. The City Manager is also responsible for establishing a system for the preparation, execution, and control of the budget which provides reasonable assurances that the intent of Council policies are met.

The Director of Financial Services is responsible for providing periodic budget status reports to the City Manager and the City Council and monthly budget reports to the Department Heads to facilitate control and compliance with the budget.

The Department Heads are responsible for monitoring their respective budgets for compliance with the intent of Council priorities and for insuring that appropriations of the aggregate total of the department are not exceeded.

SUMMARY OF BUDGET GUIDELINES

General

These guidelines are intended to require that procedures be used in the development, review, adoption, and monitoring of the budget, and to set forth the nature of those procedures. The detailed procedures used are to be established by the City Manager.

1. Budget Calendar

A budget preparation calendar will be provided to the Department Heads and to the City Council at the beginning of the budget process each year. The calendar will set forth, at a minimum, dates for the following:

- a. Review of service level priorities by the City Council at an annual City Council and City Management Planning Workshop.
- b. Presentation of the City Manager's proposed budget to the City Council, which shall be no later than the second week in June.

2. Form and Content of the City Manager's Proposed Budget

- a. The City Manager's proposed budget, the Preliminary Budget and Financial Plan, shall be presented in a form which is sufficient to allow the City Council to determine and review:
 - Provision of City Council priorities as established at the annual City Council and City Management Planning Workshop;
 - Projected revenues by major category;
 - Operating expenditures by department or program, and by fund;
 - Historical Staffing by Division;
 - Service levels;
 - Statements of objectives and accomplishments;
 - Recommendations for policy changes and impact;
 - Capital improvement appropriations by project.
- b. Comparison with the preceding year's actual results and current year's projected results will be provided for each category of revenue and expenditure shown in the budget.
- c. A description of the service levels to be provided under the proposed budget will be included.
- d. A statement of the services reduced or eliminated and the services improved or added, as compared to the current year, will be included.
- e. A schedule showing General Fund Revenue and Expenditure projection for the next five years.

3. Adoption of the Budget

The City Council will adopt the budget by resolution no later than June 30th of the previous fiscal year, setting forth the amount of appropriations and authority of the City Manager to administer the adopted budget.

4. Budget Authority of the City Manager

The City Manager shall have the authority to amend appropriations within the various departments and projects within a fund, provided that the amount of the amended appropriation is \$20,000 or less. Interfund transfers or transfers of an appropriation amount within a fund which in any single instance exceed \$20,000 require prior approval of the City Council. No expenditures may be made from any undesignated fund balances without an appropriation by the City Council.

The City Manager shall have the authority to reasonably deviate from the budgeted personnel allocation schedule provided that at no time will the number of permanent, full-time employees authorized by the City Council be exceeded.

5. Budget Amendments by the City Council

The City Council may from time to time approve expenditures and identify funding sources not provided for in the adopted budget including those expenditures funded through undesignated fund balances. The Finance Subcommittee shall review any requests for budget amendments prior to submitting to the City Council.

6. Budget Transfers and Modification Procedures

Procedures to implement budget transfers or budget modifications are detailed in Standard Procedure No. 21-1, subject to any changes by the Budget Resolution.

7. Automatic Adjustments and Reappropriations

- a. Outstanding encumbrances at prior fiscal year-end will automatically be carried over to current year's budgets.
- b. Unspent appropriations that are authorized and funded by grant revenues from prior fiscal year will automatically be carried over to current year's budgets.
- c. Incomplete multiple year project balances will automatically be reappropriated.

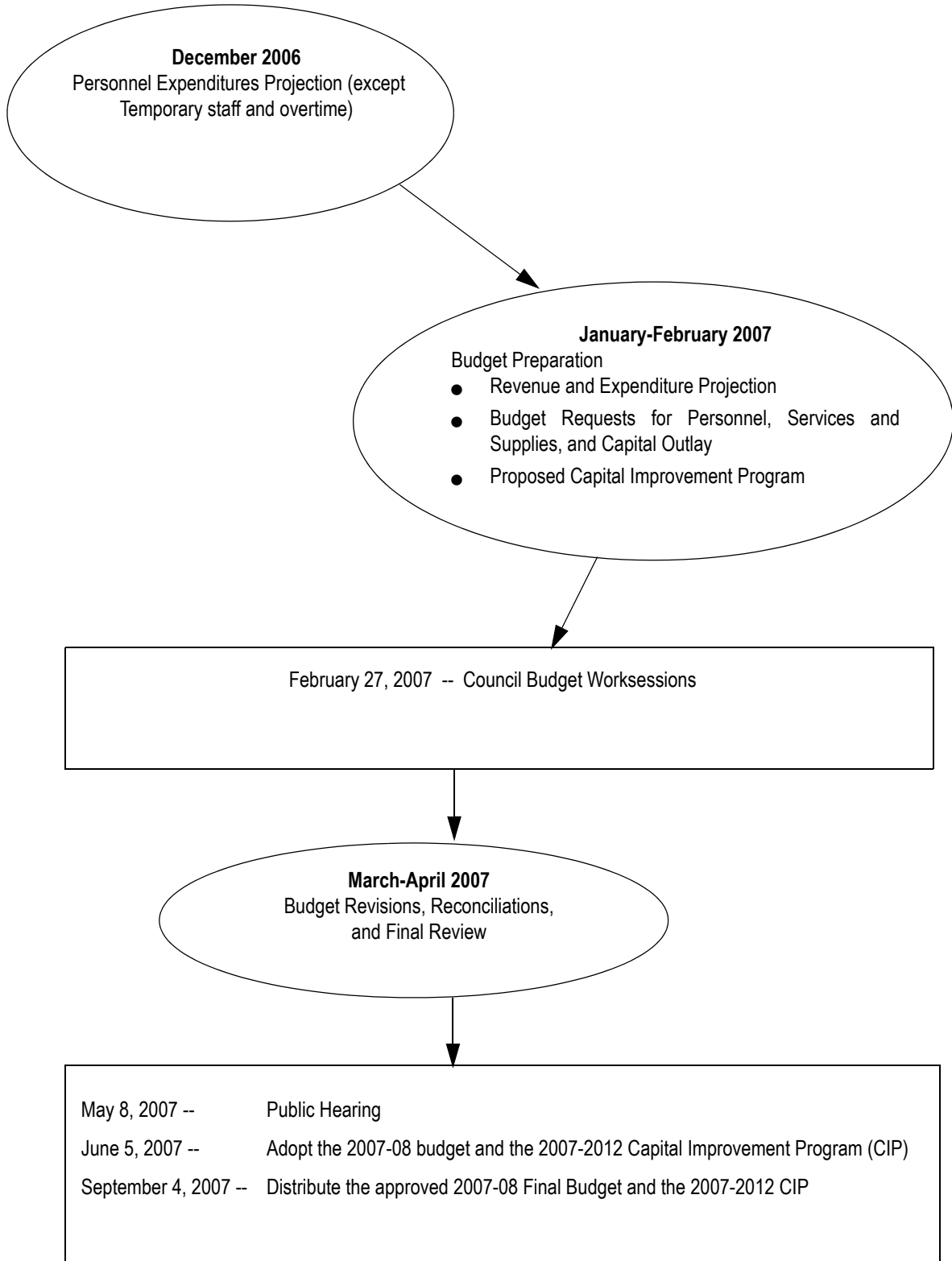
8. Budget Monitoring and Reporting

- a. General Monthly Reports - The Director of Financial Services will prepare a monthly budget report including actual expenditures and encumbrances for distribution to the City Manager and Department Heads, to facilitate monitoring of the budget.
- b. Periodic Budget Reports - The Director of Financial Services will periodically prepare a budget status report for presentation to the City Council. At the minimum, the report shall include the status of the General Fund revenues and expenditures, Water and Sewer utility fund revenues, and Redevelopment Project fund revenues.

9. Reserves

Various unallocated reserves are desired in each of the City's funds to protect the City in emergencies, economic uncertainties, and to finance unforeseen opportunities and/or requirements. Reserve policies for various funds are described in detail in the document entitled "City of Milpitas Fiscal Policies".

**City of Milpitas
2007-2008 Budget Process**



**CITY OF MILPITAS
BUDGET PREPARATION TIMELINE
2007-2008 FINANCIAL PLAN**

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
1	12/13/06 and 01/12/07	Meetings with Senior Staff to discuss programs, service levels, position requests, capital outlay requests, and budget process.	City Manager, Director of Financial Services, Senior Staff
2	12/18/06	Issue request for Capital Improvement Program (CIP) projects.	CIP Project Team, CIP Staff
3	01/08/07	2007-08 Budget Preparation "Kick-Off" meeting with Budget Liaisons.	Director of Financial Services, Finance Budget Team, Budget Liaisons
4	01/08/07- 01/26/07	Budget data entry in BRASS providing detail for temporary staff and benefits, overtime, supplies, contractual services, meetings and memberships, training and capital outlay.	Budget Liaisons
5	01/12/07	<ul style="list-style-type: none"> • Position Summary Corrections due to Finance. • Equipment Fund Inventory changes due to Accounting (Elena Chin). • Capital Outlay Requests due to Finance. 	Budget Unit Heads, Budget Liaisons
6	01/16/07- 01/22/07	Conduct Revenue discussions with budget units (Department/ Divisions) and Special Fund expenditure projections and fund balance.	Director of Financial Services, Admin Analysts
7	1/16/07	New Capital Improvement Program (CIP) projects requests are due.	Budget Unit Heads
8	01/19/07	Requests for new positions, reclassifications and reallocation of existing positions due to Finance, with the City Manager's initials.	Budget Unit Heads
9	01/22/07- 02/16/07	Review Personnel Requests.	HR Director
10	01/26/07	Provide fund balance numbers.	Accounting Manager
11	01/26/07	<ul style="list-style-type: none"> • Data entry in the BRASS is complete. • Temporary Position Forms (one form per function) are due to Finance. • Explanation of enhancements or new programs on one sheet is due to Finance. 	Budget Liaisons City Manager Director of Financial Services
12	01/26/07	Complete Non-Department Budget BRASS entry.	Admin Analyst
13	01/29/07	Non-Department Budget Review.	Director of Financial Services, Admin Analyst
14	01/30/07	Review the new CIP requests and consider the financial impact.	City Manager, Director of Financial Services, Accounting Manager, Economic Development Manager, CIP Team

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
15	02/01/07	Meeting to discuss Capital Outlay Requests.	Accounting Services Mgr, Purchasing Agent, Veh Maint Suprv, Admin Analyst
16	02/02/07	Print and distribute Budget Proformas to Budget Units for review.	Finance Budget Team
17	02/06/07	<ul style="list-style-type: none">• FY 06-07 Mid-year financial Status Report to Council.• FY 06-07 Mid-year budget adjustments.• Set FY 07-08 Budget Hearing Dates.	Director of Financial Services, Admin Analyst
18	02/07/07	Present Cost Allocation Draft to Finance Subcommittee	Director of Financial Services
19	02/08/07	CIP Subcommittee: review requests for new and proposed projects.	CIP Project Team Director of Financial Services
20	02/08/07	All budget preparation information due to Finance: narratives, org charts, and mission statements. Any changes on BRASS Proformas are due.	Budget Liaisons
21	02/09/07- 02/15/07	Narratives, org charts, mission statements and changes on BRASS Budget Proformas entry by Finance.	Finance Budget Team
22	02/16/07	HR completes desk audit of new personnel requests and provides those results to Finance.	HR Director
23	02/20/07	Present Cost Allocation Draft to City Council.	City Council Director of Financial Services
24	02/20/07- 02/23/06	Narratives, org charts, and mission statements review by Finance.	Finance Budget Team
25	02/22/07	Review Draft CIP document.	CIP Staff, Finance
26	02/26/07- 03/02/07	Prepare budget reports and distribute to City Manager and Budget Units.	Finance Budget Team
27	02/27/07	Budget Study Session	City Council
27	02/28/07	No further changes to the amounts in the CIP document by CIP Team.	CIP Project Team
28	03/05/07	Review Draft Parks projects in the CIP Budget.	PRCRC

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
29	03/05/07- 03/09/07	Budget Unit Worksessions - Review Operating Budget requests with the respective budget unit staff. <ul style="list-style-type: none"> • City Council/City Manager/ • RDA-Econ Dev • City Clerk • Building & Safety • Information Services • Human Resources • City Attorney • Finance • Public Works • Engineering • Planning and Neigh Services • Parks and Recreation • Police • Fire. 	Budget Unit Heads, City Manager, Director of Financial Services
30	03/05/07- 03/16/07	Review of Proposed CIP document by Finance.	Director of Financial Services, Accounting Manager, CIP Accountant
31	03/12/07- 03/16/07	Follow-up meetings with Senior Staff, as needed, to discuss feedback from Budget Unit Worksession.	City Manager Director of Financial Services, Budget Unit Heads
32	03/16/07	Distribute budget reports to Budget Units for final review.	Finance Admin Staff
33	03/19/07- 03/23/07	Final review of budget unit operating budget. No further changes for reconciliation process.	Budget Unit Heads, Budget Liaisons
34	03/26/07- 04/06/07	Budget Reconciliation: <ul style="list-style-type: none"> • Finance: Operating budget and CIP 	Finance Budget Team, Engineering Team
35	03/27/07	Publish Draft 2007-2012 Capital Improvement Program and distribute (Due: April 3, 2007).	CIP Program Manager CIP Staff
38	04/05/07	Review proposed CIP document by CIP Subcommittee.	CIP Project Team, Director of Financial Services
39	04/09/07- 04/13/07	Final review of proposed budget.	City Manager, Director of Financial Services, Finance Budget Team
40	04/11/07	Review Draft CIP for information and General Plan conformance findings.	Planning Commission, CIP Program Manager
41	04/12/07- 04/16/07	Update PowerPoint slides on budget and staffing changes. Distribute one presentation slide per section (budget changes, accomplishments and objectives) to the Budget Units.	Finance Budget Team
42	04/17/07	Review the Draft 2007-2012 Capital Improvement Program.	City Council
43	04/17/07- 04/23/07	Budget Units update the presentation slides (accomplishments and objectives) and review the budget changes.	Budget Unit Heads, Budget Liaisons

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
44	04/18/07	Publish notice of public hearings regarding the Operating Budget and Capital Improvement Program.	City Clerk
45	04/23/07	PowerPoint slides due to Finance.	Budget Liaisons
46	04/24/07- 04/30/07	Incorporate the accomplishments and objectives to the PowerPoint slides for all Budget Units.	Finance Budget Team
47	04/27/07	Distribute the Proposed 2007-08 Operating Budget and Financial Plan.	Director of Financial Services
48	05/03/07 and 05/07/07	Presentation practice (rehearsal) on the 2007-2008 Proposed Budget and Financial Plan and the 2007-2012 Capital Improvement Program.	Budget Unit Heads
49	05/08/07 and 05/10/07	Public hearing on the recommended 2007-2008 Proposed Budget and Financial Plan and the 2007-2012 Capital Improvement Program.	City Council, Budget Unit Heads
50	06/05/07	Adopt the 2007-08 Budget and the 2007-2012 Capital Improvement Program.	City Council
51	06/29/07	Load Approved Budget.	Finance Budget Team
52	08/03/07	Receive final numbers from Finance and Publish Final 2007-2012 Capital Improvement Program.	Accounting Manager, CIP Project Team
53	09/04/07	Distribute the approved 2007-08 Final Budget and the 2007-2012 Capital Improvement Program.	Director of Financial Services

Fiscal Policies

GENERAL FINANCIAL GOALS

1. To maintain a financially viable city that can maintain an adequate level of municipal services.
2. To maintain financial flexibility in order to be able to continually adapt to local and regional economic change.
3. To maintain and enhance the sound fiscal condition of the City.

OPERATING BUDGET POLICIES

4. The City will adopt a balanced budget by June 30th of each year.
5. An annual base operating budget will be developed by accurately and realistically projecting revenues and expenditures for the current and forthcoming fiscal year.
6. During the annual budget development process, the existing base budget will be thoroughly examined to assure cost effectiveness of the services or programs provided.
7. Annual operating budgets will include the cost of operations of new capital projects.
8. The City will avoid balancing the current budget at the expense of future budgets, unless the use of reserves is expressly authorized by the City Council.
9. The City's operating budget will be prepared on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase and capital project expenditures are budgeted on a project length basis.

REVENUE POLICIES

10. The City will try to maintain a diversified and stable revenue system to avoid over-reliance on any one revenue source.
11. Revenue estimates are to be accurate and realistic, sensitive to both local and regional economic conditions.
12. The City will estimate its annual revenues by an objective, analytical process utilizing trend, judgmental, and statistical analysis as appropriate.
13. User fees will be reviewed annually for potential adjustments to recover the full cost of services provided, except when the City Council determines that a subsidy is in the public interest.
14. The City will actively pursue federal, state, and other grant opportunities when deemed appropriate. Before accepting any grant, the City will thoroughly consider the implications in terms of ongoing obligations that will be required in connection with acceptance of said grant.
15. One-time revenues will be used for one-time expenditures only, including capital outlay and reserves.

EXPENDITURE POLICIES

16. The City will maintain levels of service, as determined by the City Council, to provide for the public well-being and safety of the residents of the community.
17. Employee benefits and salaries will be maintained at competitive levels.
18. Fixed assets will be maintained and replaced as necessary, minimizing deferred maintenance.
19. The City will develop and use technology and productivity enhancements that are cost effective in reducing or avoiding increased personnel costs.

UTILITY RATES AND FEES

20. Water and sewer utility customer rates and fees will be reviewed and adjusted annually, if necessary.

21. All utility enterprise funds will be operated in a manner similar to private enterprise. As such, the City will set fees and user charges for each utility fund at a level that fully supports the total direct and indirect cost of the activity, including depreciation of assets, overhead charges, and reserves for unanticipated expenses and capital projects.

CAPITAL BUDGET POLICIES

22. The City will develop an annual Five-year Capital Improvement Program (CIP) which is designed to develop and maintain infrastructure to support existing residences and businesses and future anticipated development.
23. The CIP will identify the estimated full cost of each project which includes administration, design, development and implementation, and operating costs once the projects are completed.
24. The CIP will identify potential funding sources for each proposed capital project, prior to submitting proposed projects to the City Council for approval. When appropriate, the CIP will seek other funding sources such as State and Federal funds, private funds and leverage these funding sources with public money to help meet the highest priority community needs.
25. The funding for the first year of the Five-year CIP will be legally appropriated as a component of the annual operating budget. Funding for future projects identified in the five year CIP has not been secured or legally authorized and is therefore subject to change.
26. Each CIP project will be assigned to a Project Manager whose responsibilities are to monitor all phases of the project to ensure timely completion of the project and compliance with the project budget and all regulations and laws.

DEBT POLICIES

27. The City will limit long-term debt to only those capital improvements or long-term liabilities that cannot be financed from current revenue sources.
28. The City will utilize debt financing for projects which have a useful life that can reasonably be expected to exceed the period of debt service for the project.
29. The City will protect and enhance the City's general credit rating of "AA".
30. The City may utilize interfund loans rather than outside debt to meet short-term cash flow needs.
31. The City will minimize costs and liabilities to the City when sponsoring debt financing for private sectors.

RESERVE POLICIES

32. The City will periodically review and update reserve guidelines, to ensure that the City has sufficient reserve balances to adequately provide for emergencies, economic uncertainties, unforeseen operating or capital needs, economic development opportunities, and cash flow requirements.
33. The City will maintain unreserved, undesignated fund balance of at least 15% of the annual operating expenditures in the General Fund for emergencies and unforeseen operating or capital needs.
34. The City will maintain in the General Fund a \$5 million Public Employees Retirement Rate Stabilization Reserve. This reserve may be drawn on if the required employer contribution rates exceed previous year contribution rates by more than 3%. The City Council must approve utilization of this reserve at the time of the budget hearing. This reserve will be replenished from the unreserved, undesignated fund balance after the 15% requirement of the operating expenditures has been met.
35. The City will maintain a Storm Drain replacement reserve to replace and repair storm drain pump stations. Beginning in FY 2009-2010, the City will set-aside \$1 million annually from the General Fund reserve for this purpose.
36. The City will maintain a retiree medical benefits account established by an irrevocable trust. It is anticipated that the City will begin funding the normal cost of the retiree medical benefits annually in the operating budget.

37. Other reserves designated in the General Fund for investment portfolio market gain, and sick leave payable will be calculated and adjusted annually at appropriate levels.
38. The City will maintain working capital in the Water and Sewer utility enterprise funds to provide for future capital projects and unanticipated emergencies, such as water main break repairs and pump station repairs. The City will attempt to maintain a working capital reserve of approximately 30% of the annual operating and maintenance expenses for Water utility fund and 25% of the annual operating and maintenance expenses for Sewer utility fund.
39. In addition, the City will maintain Infrastructure Replacement funds for both Water and Sewer utilities. The goal is to accumulate at least \$2 million a year from each utility fund to set-aside for replacement of infrastructure as the infrastructure reaches the end of its useful life.
40. The City will maintain at least \$300,000 in the Recycled Water utility fund for the purpose of infrastructure replacement and enhancement.
41. Reserve levels for Debt Service Funds will be established and maintained as prescribed by the bond covenants authorized at the time of debt issuance.
42. A minimum 30% of the estimated annual Gas Tax revenues will be set aside as a reserve in the Street Fund to provide for street repair emergencies and other unanticipated traffic safety projects.
43. The City will maintain a capital reserve in an Equipment Replacement fund, set up as an internal service fund, to enable the timely replacement of vehicles and depreciable equipment as cost. The City will maintain a minimum fund balance of at least 30% of the replacement costs for equipment accounted for in this fund.
44. In addition, the City will maintain an initial capital reserve of \$700,000 in an Equipment Replacement fund for technological equipment replacement. Upon the full payment of the Technology Certificates of Participation debt service in FY 09-10, an annual amount of \$250,000 will be set aside in this fund for technological needs.
45. The City will maintain unreserved, undesignated fund balance of at least 15% of the annual operating revenues in the Redevelopment Project Fund for unforeseen capital needs and economic development opportunities such as land assemblage and developer assistance.

INVESTMENT POLICIES

46. The Finance Director/City Treasurer will annually render an investment policy for City Council's review and modification as appropriate. The review will take place at a public meeting and the policy shall be adopted by resolution of the City Council.
47. City funds and investment portfolio will be managed in a prudent and diligent manner with emphasis on safety, liquidity, and yield, in that order.
48. Reports on the City's investment portfolio and cash position shall be developed by the Finance Director/City Treasurer and reviewed by the City Council quarterly.
49. Generally Accepted Accounting Principles required that differences between the costs of the investment portfolio and the fair value of the securities be recognized as income or losses in a government's annual financial report. These variances shall not be considered as budgetary resources or uses of resources unless the securities are sold before maturity or the values of the investments are permanently impaired.

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES

50. The City's accounting and financial reporting systems will be maintained in conformance with generally accepted accounting principles as they apply to governmental accounting.
51. An annual audit will be performed by an independent public accounting firm with the subsequent issuance of a Comprehensive Annual Financial Report, within six months of the close of the previous fiscal year.
52. Periodic financial reports and status reports will be submitted to the City Council at the end of each quarter and be made available to the public. The report will provide an analysis of budgeted versus actual revenues and expenditures, on a year-to-date basis.

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The following Resolution will be inserted in the
Final budget document after the Public Hearing:

City/Agency Budget Resolution

Appropriations Limit Resolution

City/Agency Resolution Making Findings Following a Public Hearing

Agency Resolution Determining the Necessity of Planning and Administration
Expenses for the Low and Moderate Income Households

City/Agency Agreement for Construction of Public Improvements

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City History

Before roads were carved and houses were built, Milpitas and its surrounding areas were home to native Americans in the Costanoan and Ohlone tribes. Living off the bounty of the land around San Francisco Bay, the Costanoans and the Ohlones prospered for hundreds of years long before Mexican or Spanish immigrants came to conquer the land.

In the 18th century, Spanish explorers surveyed the land and were the first to give Milpitas its name - milpa - or little cornfields. Three large ranches began, and two families, the Alvisos and the Higuera, built adobes in the mid-1800's which still stand today

In 1850, the California Gold Rush began, and "American" settlers started taking over the region. In 1852, a settler from Ireland, Michael Hughes, built the first redwood-framed house in what is now Milpitas. Soon after, the first school was built, and by 1857, Milpitas had a hotel, general store and a post office.

Fruit orchards began to spring up in the 1870s, and later the region was known for its hay growing. The population continued to grow into the 1880s and settlers numbered over 1,500. But by the turn of the century, only about a third of those people remained.



Alviso Adobe



Higuera Adobe

Populations would remain low until shortly after World War II, when Western Pacific Railroad bought a 300 acre industrial park within the city and Ford Motor Company announced it would shift its manufacturing plant from Richmond (just north of Oakland) to Milpitas. The population grew to 825. Sewer and water service, and fire protection were set up shortly after, as was one of the country's first integrated housing communities.

On January 26, 1954, the city was officially incorporated, after fighting off annexation attempts by neighboring San Jose. Ten years later, populations grew to 7,000.

Following the computer firm boom of the 1980s and the opening of one of the nation's largest malls in 1994, the city is now home to more than 65,000 residents.

History Courtesy of: The Milpitas Post
Photos Courtesy of: Eliren Pasion

Demographic Profile

Once a small agricultural town and later a stopover point for travelers between Oakland and San Jose, Milpitas has blossomed into one of the world's premier computer and semiconductor producers. Tenants of the burgeoning city of 65,276 are family-centered communities that embrace cultural diversity, comprehensive schooling and preservation of the hills.

Incorporated in 1954 with 825 residents, Milpitas is located at the southern tip of the San Francisco Bay. Milpitas covers 13.6 square miles, with grassy foothills and picturesque Mount Hamilton to the east and the Santa Clara Valley Floor to the west. The city is located in Santa Clara County, home to close to 1.68 million residents. To the north is the city of Fremont. To the south lies San Jose, the third largest city in California.

Milpitas' neighborhoods are dotted with close to 18,197 households and well-placed parks. Milpitas' average household income is \$93,300. The percentage of households with incomes more than \$75,000 is close to 69 percent. About 42% of the households earn more than \$100,000 annually.

Close to 68 percent of Milpitans own their own home. Rental prices vary from \$1,115 to \$1,645 per month for renters with one and two bedroom apartments and duplexes. Rent for two and three bedroom houses typically run \$1,465 to \$2,610. The median price of a home in Milpitas is \$680,000. There are 20 suburban residential areas.

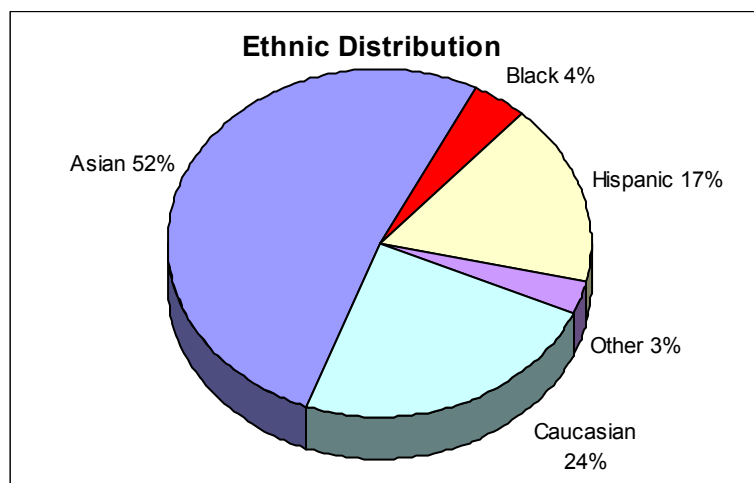
About 7 percent of the city's population are 5 years old or younger, the lowest in the county. About 18 percent are between 5 and 18 years old. About 68 percent of the population are between 18 and 64 years old. About 7 percent of residents are over 65, also the lowest in the county.

Milpitas has the highest population of ethnicities in all Santa Clara County. According to the 2000 census, an estimated 52 percent of residents are Asian; 24 percent are Caucasian; 17 percent are Hispanic or Latino; and 4 percent are Black or African-Americans.

At 20 feet above sea level, Milpitas' mild climate averages 59 degrees, with gentle winds from the northwest and little more than 13 inches of rain expected in a typical year.

The bustling general law city is supervised by a council-manager form of government. The Milpitas City Council is the flagship decision making body that appoints members to many commissions that serve in advisory capacities. The mayorship is an elected position, as are all the council seats. Mayors serve two-year terms; council members have four-year seats.

The City Council makes the ultimate planning and policy decisions for residents, and oversees the city's \$128 million budget. The five members carry out twice a month public meetings. At these times, the public's



comments are usually heard, under the citizen's forum. The Council's meetings are held the first and third Tuesdays of each month at 7:00 p.m. in the Milpitas City Hall, 455 E. Calaveras Blvd.

There are 15 advisory commissions on which residents can participate - the Planning Commission, Arts Commission, Youth Advisory Commission, Bicycle Transportation Advisory Commission and Senior Advisory Commission, to name a few.

Issues challenging most commissions these days are development, quality of life and how to streamline traffic bottlenecks that plague this area at commute times.

City of Milpitas at a Glance			
Date of Incorporation	January 26, 1954	Water Utility	
Form of Government	Council-Manager	Number of Customers:	
		Residential	13,707
		Commercial	1,034
		Recycled Water	151
Population (estimated*)	65,276	Average Daily Consumption	
Land Area (Square Miles)	13.56	(in gallons)	9,162,000
Miles of Streets	138	Miles of Water Mains	203
Number of Street Lights	4,331		
Fire Protection		Sewer Utility	
Number of Stations	4	Miles of Sanitary Sewers	173
Number of Firefighters	74	Miles of Storm Drains	99
Fire Apparatus	13		
Number of Fire Hydrants	1,756	Public Schools Serving the Community	
Police Protection		Elementary Schools	9
Number of Stations	2	Middle Schools	2
Number of Sworn Officers	95	High Schools	2
Crossing Guard Posts	38		
Number of Vehicles	49	Parks and Recreation	
Employees		Acres of Parkland	171.6
Permanent	494.25	Number of Parks	24
Temporary (FTE)	67.25	Number of Swimming Pools	4
		Number of Tennis Courts	18

Courtesy of:
 * State of California, Department of Finance
 The Milpitas Post
 The City of Milpitas, Finance Department

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The City of Milpitas is located near the southern tip of San Francisco Bay, forty-five miles south of San Francisco. Milpitas is often called the “Crossroads of Silicon Valley” with most of its 13.56 square miles of land situated between two major freeways (I-880 and I-680), State Route 237, and a county expressway. The light rail line opened for service in 2004 and an extension of BART, with a major multi-modal station, is in the planning stages.

City Council

Mayor	Jose S. Esteves
Vice Mayor	Robert Livengood
Councilmember	Debra Giordano
Councilmember	Armando Gomez, Jr
Councilmember	Althea Polanski

Board, Commissions, and Committee

Arts Commission

Asiya Asif
Juniel Butler
Donine Ettinger
Bill Foulk
Robin Hays
Harriet McGuire
Mariele-Angy Ogle
Linda L Rabe
Richard Tsuei

Public Art Committee

Julie Cherry
Elena Lawson
Carla Ann Moss
Larry Voellger

(Plus all Arts Commission Members)

**Bicycle Pedestrian
Advisory Commission**

Rene Briones
Cheryl Bunnell
Bill Reisinger
Wesley Roediger
Nawal Stanojevic
Fred Zeise

Citizens Emergency Preparedness

Advisory Commission

Clifford Baughn
Michael Berryhill
Lori Bersabe
Teresa Chaves
Michelle Celones
Russ Cherry
Tim Howard
Nancy Martinez
William Nolan
Jaime Odena
Brian Shreve

Community Advisory Commission

Joselito Abelardo
Reena Choudhury
Danny Fang
Chris Lee
Jenifer Lind
Syed Mohsin
Viramrinder Meharu
Chinedu Nwobi
Heidi Han T. Pham
Michael Queenan
Craig Ranker
Nelson Villegas

Economic Development Commission

Dhaval J. Brahmbhatt
Frank DeSmidt
Ray Maglalang
Zeya Mohsin
Minh Nguyen
Tomo Tuong Nguyen
Donald Peoples
Barbara Santos
Vince Songcayawon
Charlene Tsao

Library Advisory Commission

Trinidad Aolain
Linda Arbaugh
Melinda Cervantes
Yu-Lan Chou
Lynne Estandarte
Elpidio Estioko
Ha Phan
Marilyn Hay
Carmen Montano
Margie Stephens
Sonny S. Wang

Board, Commissions, and Committee

Mobile Home Park Rental

Review Board

Milan Dobro
Florence Romito

Parks, Recreation and Cultural

Resources Commission

Kathryn Gray
Frances Krommenhock
Henry Ku
Naomi Matautia
Robert McGuire
Steve Munzel
Tim Chang
Raymond Serena
Edward Tuason

Planning Commission

Gunawan Ali-Santosa
Norman Azevedo
Lawrence Ciardella
Sudhir Mandal
Gurdev Sandhu
Noella Tabladillo
Cliff Williams

Recycling and Source Reduction

Ed Blake, Jr.
Hong Chen
John Cimino
John Ebnetter
Eulalio Mercado
Steve Ybarra
Patrick Yung

Senior Advisory Commission

Mary Banick
Ed Connor
Bal Daquigan
Barbara Ebright
Estrella Gilana
Florentino Menor
Amanda Santos
Albert Wang
Joanne Wood
Denny Weisgerber
Bernice Wrinkle

Sister Cities Commission

Massoud Arefi
Echo Arthur
Debra Garcia
Dennis Grilli
Beverly McCarter
Roselda Mateo
Maria Magdalena Ortega
Arlyn W. Swiger
Oliver Wan

Telecommunications Commission

Albert Alcorn
Satish Kumar Bansal
Syed Afaq Ali Bilgrami
Dinesh Gupta
Niranjan Gupta
William Lam
Vishnu Mathur
M. Idrees Munir
Roger Shaw
Hai Tran

Youth Advisory Commission

Nida Asif
Lorden Fok
Josephine Fong
Joseph Hall
Chih-Ming Hsieh
Jay Kumar
Phong La
Jason Nguyen
Sareen Sandhu
Neil Sharma
Alex Tran
Brian Tran
Aditya Ullal

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DIRECTORY OF OFFICIALS

Fiscal Year 2007 – 2008

City Manager

Thomas C. Williams

Police Chief

Dennis Graham

Director of Financial Services

Emma Karlen, CPA

Fire Chief

Clare Frank

City Clerk

Mary Lavelle

City Attorney

Meyers, Nave, Riback, Silver and Wilson

Chief Information Officer

William Marion

Human Resources Director

Carmen Valdez

Public Works Director/City Engineer

Greg Armendariz

Planning & Neighborhd Svc Director

Vacant

Chief Building Officer

Keyvan Irannejad

Parks and Recreation Director

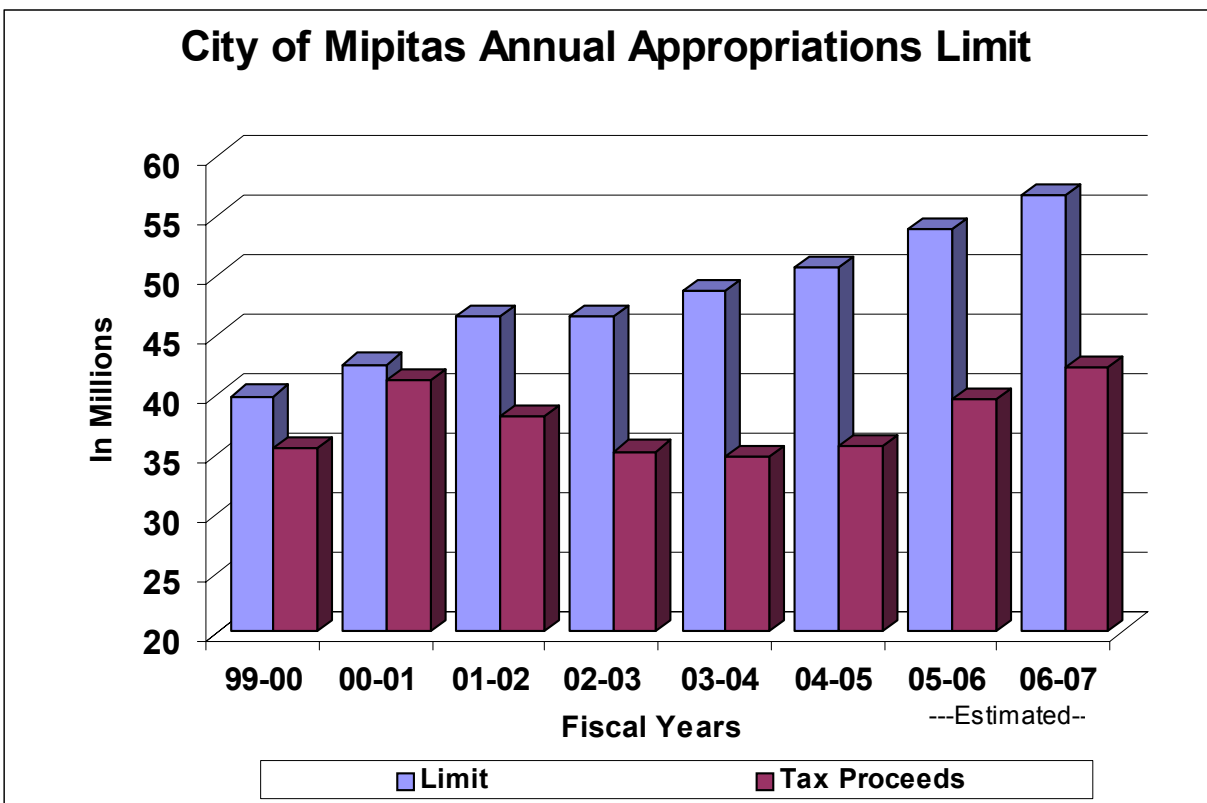
Bonnie Greiner

Gann Limit Analysis

Article XIII B of the California State Constitution, more commonly referred to as the Gann Initiative or Gann Limit, was approved by California voters in November 1979 and placed limits on the amount of proceeds of taxes that state and local governmental agencies can receive and spend each year. If an agency receives more revenue than the Appropriations Limit, the excess revenue must be returned to the taxpayers through a tax reduction or refund within the next two years. Alternatively, the agency can increase its Appropriations Limit through voters' approval.

Each year's limit is based on the amount of tax proceeds that were authorized to be spent in Fiscal Year 1978-79 in each agency, modified for changes in inflation and population in each subsequent year. The City Council must adopt, by resolution, an Appropriations Limit for the following year. Using the population and per capita personal income change factors provided by the State of California, the City's Appropriations Limit for FY2006-07 has been computed to be \$56,673,996. Appropriations subject to the limitation in FY2006-07 budget total \$42,212,251 that is \$14,461,745 less than the computed limit.

The following chart shows the annual Appropriations Limit and the tax proceeds received since Fiscal Year 1997-98. The City has not exceeded its annual Appropriations Limit in any single fiscal year. Except for the extraordinary growth in tax proceeds experienced in Fiscal Year 2000-01, the City has been under 90% of the limitation and should not be impacted by the Appropriations Limit.



**City of Milpitas
Computation of Legal Bonded Debt Margin
June 30, 2007**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	<u>\$10,319,333,406</u>	
BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (A)		<u>\$386,975,003</u>
AMOUNT OF DEBT SUBJECT TO LIMIT:		
Total Bonded Debt	\$198,975,000	
Less: Tax Allocation Bonds and Certificates of Participation, not subject to limit	\$198,975,000	
Amount of debt subject to limit		<u>-0-</u>
LEGAL BONDED DEBT MARGIN		<u><u>\$386,975,003</u></u>

- (a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

Historical Staffing by Division

	04 - 05 Approved		05 - 06 Approved		06 - 07 Approved		Change		07 - 08 Proposed	
	Perm	Temp	Perm	Temp	Perm	Temp	Perm	Temp	Perm	Temp
100 City Council	5.00	0.00	5.00	0.00	5.00	0.00	0.00	0.00	5.00	0.00
111 City Manager	5.25	0.00	5.00	0.00	4.00	0.00	0.00	0.00	4.00	0.00
114 City Clerk	10.00	0.00	10.00	0.50	10.00	0.00	0.00	0.00	10.00	0.00
116 RDA & Economic Dvp	1.00	0.00	1.00	0.00	1.00	0.00	0.00	0.00	1.00	0.00
530 Building and Safety	23.00	0.00	23.00	1.00	23.00	1.00	0.00	2.00	23.00	3.00
City Manager	44.25	0.00	44.00	1.50	43.00	1.00	0.00	2.00	43.00	3.00
112 Information Services	20.00	1.00	20.00	1.00	20.00	0.50	0.00	(0.50)	20.00	0.00
Information Systems	20.00	1.00	20.00	1.00	20.00	0.50	0.00	(0.50)	20.00	0.00
115 Human Resources	7.00	0.00	7.00	0.00	7.00	0.00	0.00	0.00	7.00	0.00
Human Resources	7.00	0.00	7.00	0.00	7.00	0.00	0.00	0.00	7.00	0.00
300 Finance Administration	7.00	0.50	7.00	0.25	7.00	0.00	0.00	0.00	7.00	0.00
310 Accounting Services	12.00	0.75	12.00	1.00	12.00	0.50	0.00	0.00	12.00	0.50
320 Fiscal Services	10.00	1.00	10.00	1.00	10.00	0.25	0.00	0.00	10.00	0.25
330 Purchasing	5.00	0.00	5.00	0.00	5.00	0.00	0.00	0.00	5.00	0.00
Finance	34.00	2.25	34.00	2.25	34.00	0.75	0.00	0.00	34.00	0.75
420 Public Works	73.75	6.25	74.00	6.00	74.00	4.25	1.00	(2.75)	75.00	1.50
410 Engineering	44.00	11.00	44.00	9.00	46.00	6.00	0.00	(5.50)	46.00	0.50
Public Works	117.75	17.25	118.00	15.00	120.00	10.25	1.00	(8.25)	121.00	2.00
510 Planning & Nghbrhd	17.50	2.00	17.50	2.00	16.50	2.00	0.00	0.00	16.50	2.00
Planning & Nghbrhd Srves	17.50	2.00	17.50	2.00	16.50	2.00	0.00	0.00	16.50	2.00
424 Parks	21.00	3.00	21.00	3.00	21.00	1.00	0.00	0.00	21.00	1.00
450 Recreation	29.00	44.00	29.00	45.50	29.00	41.75	(1.75)	1.25	27.25	43.00
Parks and Recreation	50.00	47.00	50.00	48.50	50.00	42.75	(1.75)	1.25	48.25	44.00
700 Police Administration	3.00	0.00	3.00	0.00	3.00	0.00	0.00	0.00	3.00	0.00
710 Police Technical Services	31.50	2.50	31.50	2.50	31.50	0.00	0.00	2.50	31.50	2.50
720 Police Field Services	73.00	13.00	73.00	13.00	73.00	13.00	0.00	0.00	73.00	13.00
730 Special Operations	17.00	0.00	17.00	0.00	17.00	0.00	0.00	0.00	17.00	0.00
Police	124.50	15.50	124.50	15.50	124.50	13.00	0.00	2.50	124.50	15.50
800 Fire Administration	3.00	0.00	3.00	1.00	2.00	1.00	1.00	(1.00)	3.00	0.00
810 Emerg Resp & Prep Div	66.00	1.00	66.00	1.00	66.00	0.00	1.00	0.00	67.00	0.00
820 Prevention Division	11.00	0.50	11.00	0.50	12.00	0.00	(2.00)	0.00	10.00	0.00
Fire	80.00	1.50	80.00	2.50	80.00	1.00	0.00	(1.00)	80.00	0.00
TOTAL	<u>495.00</u>	<u>86.50</u>	<u>495.00</u>	<u>88.25</u>	<u>495.00</u>	<u>71.25</u>	<u>(0.75)</u>	<u>(4.00)</u>	<u>494.25</u>	<u>67.25</u>



	Grand Total	General Fund (1)	Library Fund
ESTIMATED REVENUES			
PROPERTY TAXES	46,269,000	16,214,000	0
TAXES OTHER THAN PROPERTY	28,979,000	27,218,000	1,221,000
LICENSES AND PERMITS	4,709,000	4,709,000	0
FINES AND FORFEITS	846,000	846,000	0
USE OF MONEY AND PROPERTY	6,931,000	1,200,000	128,000
INTERGOVERNMENTAL	2,766,000	902,000	0
CHARGES FOR CURRENT SERVICES	33,193,192	4,428,000	0
OTHER REVENUE	2,386,500	64,000	0
sub-total	126,079,692	55,581,000	1,349,000
OTHER FINANCING SOURCES			
(INCREASE) DECREASE IN FUND BALANCE	3,998,957	(30,166)	(619,000)
(INCREASE) DECREASE IN CIP RSRV	(1,071,331)	0	0
(INCREASE) DECREASE IN HOUSING RSRV	(200,687)	0	0
OPERATING TRANSFERS IN	18,952,793	16,182,793	0
OPERATING TRANSFERS OUT	(18,952,793)	(100,000)	(385,000)
sub-total	2,726,939	16,052,627	(1,004,000)
TOTAL	128,806,631	71,633,627	345,000
BUDGETED APPROPRIATIONS			
PERSONNEL SERVICES	64,315,248	57,975,496	0
SUPPLIES & CONTRAC SVCS	36,716,266	12,345,578	345,000
CAPITAL OUTLAY	625,117	54,553	0
sub-total	101,656,631	70,375,627	345,000
CAPITAL IMPROVEMENTS	8,445,000	0	0
DEBT SERVICE	18,705,000	1,258,000	0
sub-total	27,150,000	1,258,000	0
TOTAL	128,806,631	71,633,627	345,000
FUND BALANCE			
FUND BALANCE 7/1/07	197,436,732	19,079,713	4,285,000
NET CHANGES IN FUND BALANCE	(2,726,939)	30,166	619,000
FUND BALANCE 6/30/08	194,709,793	19,109,879	4,904,000
RESERVED	68,075,001	1,286,176	0
UNRESERVED - DESIGNATED	4,904,000	0	4,904,000
UNRESERVED, DESIGNATED FOR CIP	51,876,010	0	0
UNRESERVED, DESIGNATED FOR PERS	5,432,703	5,432,703	0
UNRESERVED, DESIGNATED FOR HOUSING	12,689,911	0	0
UNRESERVED, UNDESIGNATED	51,732,168	12,391,000	0
TOTAL	194,709,793	19,109,879	4,904,000

(1) General Fund balance includes accrued leave, insurance liability accounts and Abandon Vehicle Abatement Fund.

(2) Special Revenue Funds include Public Art Fund, Gas Tax Fund, Light & Landscape Maintenance District Funds, Housing and Community Development Fund, Law Enforcement Block Grant Funds, Solid Waste Services Funds and Equipment Replacement Funds.

(3) Capital Projects include Street Improvement Fund, Park Improvement Funds, General Government Capital Improvement Fund and Storm Drain Capital Improvement Fund.

Financial Information Budget Summary

Special Revenue (2)	Capital Projects (3)	Redevelopment (4)	Water Fund (5)	Sewer Fund (6)
0	0	30,055,000	0	0
540,000	0	0	0	0
0	0	0	0	0
0	0	0	0	0
306,000	692,000	3,629,000	384,000	592,000
1,814,000	50,000	0	0	0
2,782,692	0	0	15,789,500	10,193,000
303,500	364,000	75,000	525,000	1,055,000
<u>5,746,192</u>	<u>1,106,000</u>	<u>33,759,000</u>	<u>16,698,500</u>	<u>11,840,000</u>
(1,022,030)	0	6,436,832	(1,507,017)	740,338
0	735,310	0	(573,641)	(1,233,000)
0	0	(200,687)	0	0
450,000	2,180,000	140,000	0	0
(1,417,118)	(5,000)	(13,626,502)	(1,866,221)	(1,552,952)
<u>(1,989,148)</u>	<u>2,910,310</u>	<u>(7,250,357)</u>	<u>(3,946,879)</u>	<u>(2,045,614)</u>
<u>3,757,044</u>	<u>4,016,310</u>	<u>26,508,643</u>	<u>12,751,621</u>	<u>9,794,386</u>
1,122,182	0	1,698,053	2,195,471	1,324,046
2,174,298	151,310	6,204,590	7,906,150	7,589,340
460,564	0	0	110,000	0
<u>3,757,044</u>	<u>151,310</u>	<u>7,902,643</u>	<u>10,211,621</u>	<u>8,913,386</u>
0	3,865,000	1,890,000	2,540,000	150,000
0	0	16,716,000	0	731,000
0	3,865,000	18,606,000	2,540,000	881,000
<u>3,757,044</u>	<u>4,016,310</u>	<u>26,508,643</u>	<u>12,751,621</u>	<u>9,794,386</u>
12,743,795	18,216,000	110,762,224	13,900,000	18,450,000
1,022,030	(735,310)	(6,236,145)	2,080,658	492,662
<u>13,765,825</u>	<u>17,480,690</u>	<u>104,526,079</u>	<u>15,980,658</u>	<u>18,942,662</u>
<u>13,765,825</u>	<u>0</u>	<u>52,995,000</u>	<u>0</u>	<u>28,000</u>
0	0	0	0	0
0	17,480,690	6,000,000	12,180,658	16,214,662
0	0	0	0	0
0	0	12,689,911	0	0
0	0	32,841,168	3,800,000	2,700,000
<u>13,765,825</u>	<u>17,480,690</u>	<u>104,526,079</u>	<u>15,980,658</u>	<u>18,942,662</u>

(4) Redevelopment Agency Funds include Housing Reserve Fund, Redevelopment Project Fund and Tax Allocation Bond Fund.

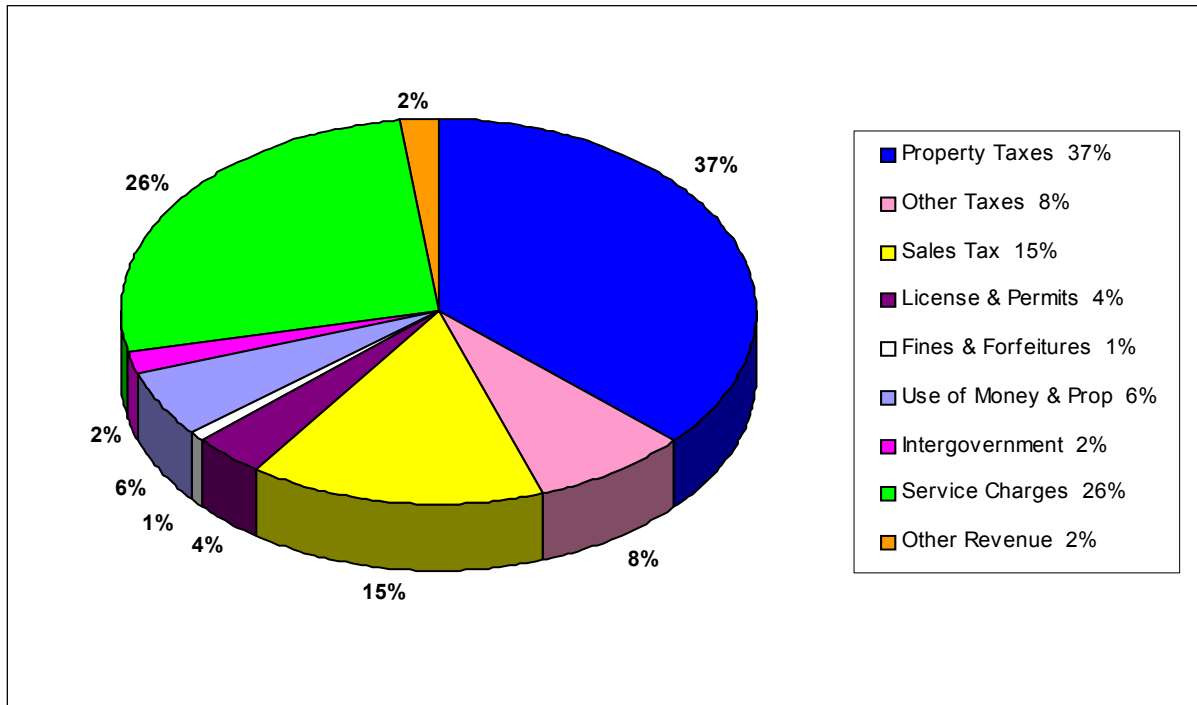
(5) Water Fund balances are working capital and include Water Fund, Water Fund CIP, Water Line Extension Fund and Recycled Water Fund.

(6) Sewer Fund balances are working capital and include Sewer Fund, Sewer Fund CIP, Treatment Plant Construction Fund and South Bay Water Recycling Program Fund.

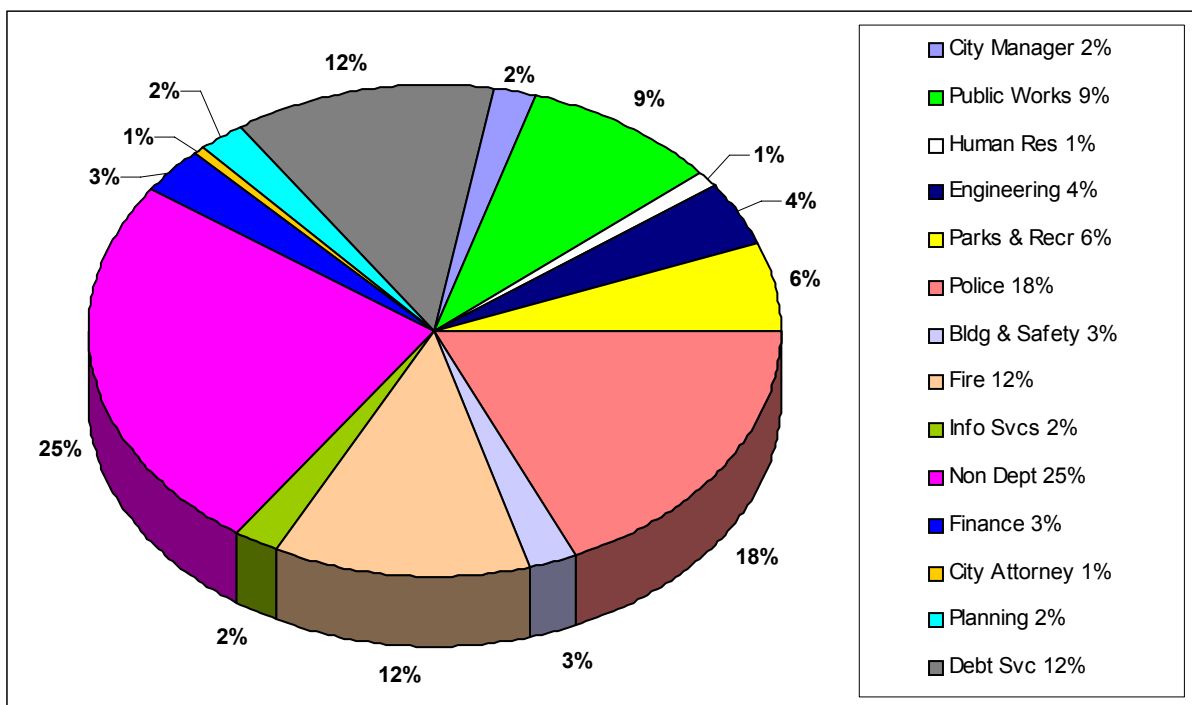
General Fund
Five Year Forecast - FY 2008-09 to FY 2012-13

	<u>FY08-09</u>	<u>FY09-10</u>	<u>FY10-11</u>	<u>FY11-12</u>	<u>FY12-13</u>
Estimated Revenues					
Property Taxes	17,024,700	17,705,688	18,413,916	19,150,472	19,916,491
Sales & Use Tax	19,897,600	21,142,480	21,988,179	22,867,706	23,782,415
Hotel/Motel Tax	5,030,520	5,181,436	5,336,879	5,496,985	5,661,895
Other Taxes	3,766,880	3,917,555	4,074,257	4,216,856	4,364,446
License & Permits	4,944,450	5,191,673	5,373,381	5,561,449	5,756,100
Fine & Forfeitures	862,920	880,178	897,782	915,738	934,052
Rents and Concessions	318,240	324,605	331,097	337,719	344,473
Interest Income	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Motor Veh, in-lieu fees	431,460	444,404	457,736	471,468	485,612
Charges for Services	4,260,060	4,409,162	4,541,437	4,677,680	4,818,010
Other Revenues	729,290	881,169	1,037,604	1,198,732	1,234,694
Operating Transfers	<u>14,520,168</u>	<u>13,619,014</u>	<u>13,990,329</u>	<u>14,363,660</u>	<u>14,770,138</u>
Total Estimated Revenues and Other Financing Sources	<u>72,986,288</u>	<u>74,897,363</u>	<u>77,642,596</u>	<u>80,458,466</u>	<u>83,268,327</u>
Estimated Expenditures					
Salaries	42,263,359	43,531,259	44,837,197	46,182,313	47,567,782
Benefits	19,054,743	19,940,050	20,877,009	21,848,844	22,899,436
Charged to CIP	<u>(1,312,909)</u>	<u>(1,352,296)</u>	<u>(1,392,865)</u>	<u>(1,434,651)</u>	<u>(1,477,691)</u>
Subtotal	60,005,192	62,119,013	64,321,341	66,596,506	68,989,528
Services & Supplies	12,715,945	13,097,424	13,490,346	13,895,057	14,311,909
Capital Outlay	-	-	-	250,000	-
Debt Service	<u>1,260,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	13,975,945	13,097,424	13,490,346	14,145,057	14,311,909
Total Estimated Expenditures	<u>73,981,138</u>	<u>75,216,437</u>	<u>77,811,688</u>	<u>80,741,563</u>	<u>83,301,436</u>
(Deficit)	(994,850)	(319,074)	(169,092)	(283,097)	(33,109)

DISTRIBUTION OF REVENUES 2007-2008 (All Funds)



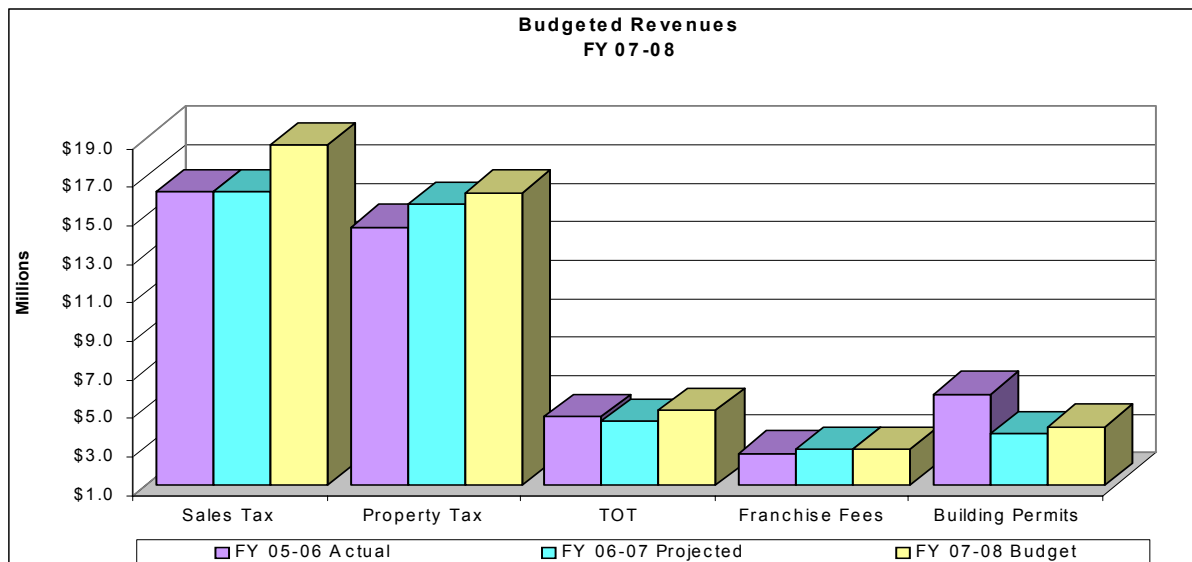
DISTRIBUTION OF EXPENDITURES 2007-2008 (All Funds)



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FY 07-08 General Fund Revenue Assumptions

Sales Tax	The Association of Bay Area Governments (ABAG)'s forecast is 8% increase for the Santa Clara County next year, our projection is more conservative. FY 07-08 sales tax revenue is projected to increase by 5.8% over FY 06-07 revised estimate based on continued economic recovery locally and increased sales in the food products and general retail economic segments. The Great Mall of the Bay Area added new anchor stores which will generate increased sales. The City also anticipates sales tax revenue increase due to opening of a major car dealership in the fall of FY 07-08.
Property Tax	For FY 07-08, it is anticipated that property tax revenue will increase by 4.5% based on report of assessed valuation growth provided by the County Assessor. Although Proposition 13 limited the annual assessed value adjustments to the lesser of increase in California consumer price index or 2%, our projection is higher due to new construction that will be added to the tax roll, change of property ownerships and assessed valuation increase for unsecured properties as local businesses continue to recover and add capital assets.
Transient Occupancy Tax (TOT)	It is projected that that FY 07-08 TOT will increase by a modest 1.5% over FY 06-07 revised revenue. For FY 06-07, our revenue projection was revised to 13% increase or \$480,000 over budget. Given the high increase experienced in FY 06-07, we anticipate that growth rate to slow down in FY 07-08.
Franchise Fees	Franchise fee is based on an agreed upon percentage of the gross revenue generated by the gas and electric utility, garbage, and cable TV service providers in the City. The projection for franchise fees take into consideration of rate increases and consumption changes. Electric, gas franchise fees are projected to increase by 3% due to rate increase while cable franchise fees are projected to increase by 4% next fiscal year over FY 06-07 revised budget. Garbage franchise fee is projected to increase by 2.5%. We anticipate that franchise fees will remain stable next fiscal year.
Building Permits	FY 07-08 building permit revenues are projected to be at the same level as FY 06-07 revised revenue based on the number of anticipated applications and the size of the projects that are currently being processed by the Building Department. FY 06-07 building permit revenues were revised to be 11.5% over original budget projection. It is anticipated KB Homes, Centria and Paragon will continue with their construction activities and other residential development projects such as Apton Plaza and Town Center will commence.



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Revenues by Fund (Summary)

	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
100 General Fund	59,071,483	68,540,510	68,322,582	71,594,793
102 Library Fund	1,129,644	(1,639,590)	1,258,750	964,000
105 Abandon Veh Abatement	65,134	69,940	78,000	69,000
211 H-Hetch Ground Lease	1,510,217	(1,455,487)	52,000	64,945
212 Public Art Fund	0	171,707	5,000	438,000
221 Gas Tax Fund	(81,413)	254	(300,000)	7,000
235 95-1 Lighting/Lscape Dist	251,885	258,778	265,000	277,000
236 98-1 Lighting/Lscape Dist	30,855	32,356	32,000	33,500
250 HCD Fund	568,903	432,888	631,000	601,000
251 HCD Loan	286,241	15,829	7,000	2,000
261 Supplemental Law Enforcement	99,761	105,271	3,000	3,000
262 State Asset Seizure	24,611	24,357	3,000	10,000
263 Federal Asset Seizure	446	298	0	1,000
264 Local Law Enforcmnt Block Grant	40,895	2,387	0	0
266 COPS in School	(493)	0	0	0
267 Justice Assistance Grant	0	10,328	0	0
280 Solid Waste Services	283,946	349,382	262,387	214,273
281 Solid Waste Reduction	253,516	302,414	310,000	211,664
290 Housing Reserve Fund	4,440,961	7,114,029	5,267,054	5,625,345
291 Housing Reserve 97 TABS	8,556	232,063	185,000	0
310 Street Fund	908,951	(2,246,508)	(279,380)	(524,000)
311 Street CIP	3,543,376	4,272,712	2,351,294	3,075,000
312 Traffic Impact Fee	0	1,139,166	0	0
313 Traffic Congestion Relief	0	771,766	0	0
320 Park Improvement Fund	452,344	(703,635)	406,000	(362,000)
321 Park Improvement CIP	567,917	739,289	195,000	590,000
322 Midtown Park Fund	942,947	35,546	28,000	33,000
330 General Government	42,441	43,744	22,000	38,000
331 General Government CIP	550,731	650,000	20,000	200,000
332 Technology Certificates of Participation	(824,297)	(20,703)	2,000	4,000
340 Storm Drain Development CIP	1,197	(15,591)	381,000	227,000
390 RDA Project Fund	73,499,688	18,678,307	11,559,607	12,035,153
391 Redevelopment CIP	5,383,500	16,916,057	40,810,000	1,890,000
392 97 RDA TABs	(187,937)	169,986	(4,465,000)	(725,000)
393 2000 RDA TABs	2,015	2,587	2,000	(71,000)
395 2003 RDA TABs	(4,243,797)	(10,653,324)	(32,196,000)	1,518,000
400 Water M & O Fund	9,240,982	8,781,828	10,011,315	11,019,539
401 Water CIP	662,951	900,000	1,560,000	2,540,000
402 Water Line Extension Fund	55,987	539,255	431,000	563,000
406 Recycled Water Fund	719,224	708,240	780,156	709,740
450 Sewer M & O Fund	6,114,338	4,539,831	7,643,863	8,876,048
451 Sewer CIP	1,042,901	12,123,883	9,715,000	150,000
452 Treatment Plant Construction F	606,349	(6,134,521)	887,000	1,043,000
455 Sewer Infrastructure Replmnt	168,077	(69,515)	(239,000)	190,000
456 South Bay Water Recycling Prgm	25,632	31,635	28,000	28,000
500 Equipment Mgmt Fund	2,684,676	3,038,335	170,000	2,915,692
505 Information Technology Replmnt	0	200,000	0	0
TOTAL	169,945,343	129,006,084	126,205,628	126,079,692

Description	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
GENERAL FUND (100)				
PROPERTY TAXES				
3010 Property Taxes, Current	12,377,455	13,370,012	14,881,000	15,534,000
3030 Property Taxes, Supplement	744,312	1,047,379	728,000	680,000
sub-total	13,121,767	14,417,392	15,609,000	16,214,000
TAXES OTHER THAN PROPERTY				
3110 Sales and Use Tax	14,270,542	16,227,888	16,245,000	18,712,000
3120 Real Estate Transfer Tax	575,786	1,002,257	505,000	492,000
3131 Electric Franchise	1,045,522	979,737	1,115,000	1,039,000
3132 Gas Franchise	170,951	194,268	179,000	206,000
3133 Garbage Franchise-Commercial	766,705	660,655	729,000	729,000
3134 Garbage Franchise-NonCommercial	437,736	432,399	438,000	469,000
3137 Nitrogen Gas Franchise	34,522	37,454	35,000	40,000
3138 CATV Franchise	316,031	338,878	353,000	367,000
3140 Business License Tax	274,461	280,663	277,000	280,000
3150 Hotel/Motel Tax	3,986,016	4,535,325	4,331,000	4,884,000
sub-total	21,878,273	24,689,525	24,207,000	27,218,000
LICENSES AND PERMITS				
3210 Building Permits	2,876,211	5,740,022	3,688,000	4,047,000
3220 Fire Permits	445,882	547,779	408,000	473,000
3240 Life Safety Annual Permits	178,932	181,628	182,000	188,000
3250 Fire Inspections	982	34,656	0	1,000
sub-total	3,502,007	6,504,085	4,278,000	4,709,000
FINES AND FORFEITS				
3301 Vehicle Code Fines	253,519	247,384	229,000	258,000
3302 Other Court Fines	405,915	449,098	428,000	450,000
3305 Booking Fees	36,679	29,285	24,000	13,000
3306 NBO Violation Fees	8,860	11,450	10,000	10,000
3307 Impound Fees	49,267	58,827	61,000	56,000
3308 Animal Violations	14,215	13,200	11,000	11,000
3309 False Alarm Fee	53,800	42,850	49,000	48,000
3310 Fire Administrative Citations	903	0	0	0
3312 Planning Admin Citation	2,500	0	0	0
sub-total	825,659	852,094	812,000	846,000
USE OF MONEY AND PROPERTY				
3431 Pooled Investment-Interest	938,984	1,072,931	953,000	1,135,000
3432 Cash with Fiscal Agents	(7,421)	0	0	0
3433 Other Interest Income	(10,359)	(162,710)	40,000	65,000
sub-total	921,204	910,221	993,000	1,200,000
INTERGOVERNMENTAL				
3511 Motor Vehicle In Lieu Tax	420,823	1,548,080	404,000	423,000
3521 Homeowners Property Tax Relief	131,066	130,893	130,000	130,000
3532 Off-Highway Tax	859	2,446	2,000	0
3555 Federal Contributions-Eng & Planning	0	74,135	0	0
3556 Federal Contributions-Recreation	22,094	15,700	13,000	15,000
3557 Federal Contributions-Police	18,833	19,015	0	0
3558 Federal Contributions-Fire	70,296	116,231	0	0
3562 POST Grant	23,649	27,726	18,000	18,000

Financial Information Revenues by Fund (Detail)

Description	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
3565 State Contributions-Eng & Planning	0	1,016	0	0
3567 State Contributions-Police	1,921	0	0	0
3568 State Contributions-Fire	0	3,600	0	0
3576 County Contributions-Recreation	61,111	66,021	72,000	77,000
3577 County Contributions-Police	0	3,346	0	0
3582 SB90 Grant	20,242	402,382	50,000	71,000
3585 Other Restricted Grants-Eng & Planning	0	7,190	0	0
3586 Other Restricted Grants-Recreation	2,639	0	0	0
3587 Other Restricted Grants-Police	0	2,000	0	0
3591 Misc Unrestricted Intergovernmental	198,194	0	0	99,000
sub-total	971,726	2,419,782	689,000	833,000
CHARGES FOR CURRENT SERVICES				
3601 General Government Service Charges	428,639	146,836	137,000	223,000
3602 Sales of Maps and Documents-Gen Gov't	895	863	0	1,000
3603 Rents, Leases and Concessions-Gen Gov't	123,558	150,899	140,000	140,000
3604 B L Processing Fee	0	0	0	150,000
3611 PJ Overhead Charges	722,304	967,203	731,000	881,000
3612 PJ Labor Reimbursement	327,090	433,799	328,000	397,000
3613 PJ Vendor Reimbursement	31,267	114,334	73,000	133,000
3615 Engineering & Planning Services	19,243	213,360	14,000	14,000
3616 Engineering Plan Check Fee	3,374	10,112	5,000	200,000
3617 Planning Fees	17,265	10,920	15,000	12,000
3618 Sales of Maps & Documents-Eng & Pla	14,481	15,054	9,000	9,000
3619 Rents, Leases & Concessions-Eng & Pla	18,080	9,000	9,000	28,000
3633 Fire Cost Recovery	388	48,855	0	0
3634 Unwanted Alarms-Fire	1,700	2,700	0	2,000
3635 Fire Enforcement-Penalties	1,248	4,350	0	0
3636 Fire Enforcement-Training	2,742	(1,486)	0	0
3637 Fire Service Charges	256,248	259,653	200,000	252,000
3638 Sale of Maps & Documents-Fire	3	5	0	0
3641 Police Service Charges	266,088	268,218	284,000	319,000
3643 Fingerprints	6,222	668	2,000	3,000
3644 Sales of Maps & Documents-Police	14,105	12,918	12,000	12,000
3645 Police Cost Recovery	3,961	9,308	0	0
3646 Rents, Leases & Concessions-Police	2,010	10	0	0
3647 DUI-Police Cost Recovery	9,327	2,198	5,000	7,000
3651 Rents, Leases & Concessions-Recreation	112,004	132,146	143,000	144,000
3652 Recreation Fees	1,354,963	1,347,050	1,356,000	1,425,000
3653 Senior Nutrition Fees	12,726	14,866	13,000	16,000
3655 Sales of Merchandise Recreation	2,775	1,518	1,000	1,000
3661 Sales of Maps & Documents-Building	82	172	0	0
3662 Records Retention Fee	20,229	49,733	31,000	41,000
3663 Building Service Charges	1,350	0	12,000	0
3671 Public Works Service Charges	150	0	0	0
3672 Public Works Cost Recovery	30,282	56,948	36,000	18,000
sub-total	3,804,800	4,282,207	3,556,000	4,428,000
OTHER REVENUE				
3710 Development	5,772	6,500	5,000	15,000
3740 Reimbursements	2,139	1,118	1,000	0
3750 Donations	24,760	9,124	0	0

Financial Information Revenues by Fund (Detail)

Description	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
3770 Sale of Property, Plant and Equipment	15,037	666,361	0	0
3790 Miscellaneous Other Revenue	115,528	190,593	57,000	49,000
sub-total	163,236	873,696	63,000	64,000
OPERATING TRANSFERS IN				
3806 Op Trfs in from Solid Waste Service	0	8,590	37,613	87,727
3807 Op Trfs in from Solid Waste Reduction	4,000	11,876	0	101,336
3808 Op Transfers in from Housing R	702,868	764,576	694,746	1,100,655
3809 Op Transfers in from Street Fu	780,000	1,000,000	844,178	0
3811 Op Transfers in from RDA	6,245,452	6,374,333	11,455,379	11,220,847
3812 Op Transfers in from Water M&O	2,990,241	3,114,201	2,913,685	1,734,961
3814 Op Transfers in from Recycled	51,680	54,142	30,844	126,260
3815 Op Transfers in from Sewer M&O	2,190,471	2,262,174	2,109,137	1,547,952
3819 Other Operating Transfers In	0	0	0	263,055
3821 Op Tfr in from RDA-Sales Tax	138,813	0	0	0
3822 Op Tfr in from General Gov't Fund	0	0	30,000	0
3841 Appn Transfers in from Redevel	713,000	700,000	0	0
3842 Appn Transfers in from Water M	26,000	0	0	0
3845 Appn Transfers in from Sewer M	26,000	0	0	0
3849 Other Appn Transfers In	1,166	1,614	0	0
sub-total	13,869,691	14,291,506	18,115,582	16,182,793
OPERATING TRANSFERS OUT				
3911 Op Trfs Out To the RDA Project Fund	(3,324)	0	0	(100,000)
3949 Other Appn Transfers Out	(1,557)	(200,000)	0	0
3952 Appn Tfr out to General Gov't Fund	0	(500,000)	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	18,000	0	0	0
sub-total	13,119	(700,000)	0	(100,000)
TOTAL (100)	59,071,483	68,540,510	68,322,582	71,594,793
LIBRARY FUND (102)				
3150 Hotel/Motel Tax	999,838	1,133,906	1,082,750	1,221,000
3431 Pooled Investment-Interest	147,806	226,504	176,000	128,000
3901 Op Trfs Out To the General Fund	0	0	0	(260,000)
3919 Op Trfs Out To Other Miscellaneous Funds	0	0	0	(125,000)
3941 Appn Transfers out to RDA	0	(3,000,000)	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	(18,000)	0	0	0
TOTAL (102)	1,129,644	(1,639,590)	1,258,750	964,000
ABANDON VEH ABATEMENT (105)				
3431 Pooled Investment-Interest	3,353	(3)	3,000	0
3577 County Contributions-Police	61,781	69,943	75,000	69,000
TOTAL (105)	65,134	69,940	78,000	69,000
H-HETCH GROUND LEASE (211)				
3431 Pooled Investment-Interest	10,217	44,513	52,000	68,000
3760 Developer Contribution	1,500,000	(1,500,000)	0	0
3901 Op Trfs Out To the General Fund	0	0	0	(3,055)
TOTAL (211)	1,510,217	(1,455,487)	52,000	64,945
PUBLIC ART FUND (212)				
3431 Pooled Investment-Interest	0	5,308	5,000	13,000
3811 Op Transfers in from RDA	0	0	0	325,000
3819 Other Operating Transfers In	0	0	0	125,000

Financial Information Revenues by Fund (Detail)

Description	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
3841 Appn Transfers in from Redevel	0	166,399	0	0
3911 Op Trfs Out To the RDA Project Fund	0	0	0	(25,000)
TOTAL (212)	0	171,707	5,000	438,000
GAS TAX FUND (221)				
3431 Pooled Investment-Interest	(1,885)	7,610	0	0
3545 Sec 2105-Gas Tax	404,570	396,937	400,000	400,000
3546 Sec 2106-Gas Tax	270,900	258,810	260,000	260,000
3547 Sec 2107-Gas Tax	537,502	529,397	540,000	540,000
3548 Sec 2107.5-Gas Tax	7,500	7,500	0	7,000
3909 Op Trfs Out To the Street Improvement Fund	(1,300,000)	(1,200,000)	(1,500,000)	(1,200,000)
TOTAL (221)	(81,413)	254	(300,000)	7,000
95-1 LIGHTING/LSCAPE DIST (235)				
3431 Pooled Investment-Interest	1,701	3,110	3,000	6,000
3433 Other Interest Income	463	702	0	1,000
3720 Special Assessments	249,721	254,966	262,000	270,000
TOTAL (235)	251,885	258,778	265,000	277,000
98-1 LIGHTING/LSCAPE DIST (236)				
3431 Pooled Investment-Interest	(205)	155	0	0
3433 Other Interest Income	62	89	0	0
3720 Special Assessments	30,998	32,112	32,000	33,500
TOTAL (236)	30,855	32,356	32,000	33,500
HCD FUND (250)				
3555 Federal Contributions-Eng & Planning	408,988	417,188	631,000	601,000
3556 Federal Contributions-Recreation	159,915	15,700	0	0
TOTAL (250)	568,903	432,888	631,000	601,000
HCD LOAN (251)				
3431 Pooled Investment-Interest	0	0	7,000	0
3433 Other Interest Income	1,223	2,382	0	2,000
3555 Federal Contributions-Eng & Planning	285,017	13,447	0	0
TOTAL (251)	286,241	15,829	7,000	2,000
SUPPLEMENTAL LAW ENFORCEMENT (261)				
3431 Pooled Investment-Interest	1,743	2,001	3,000	3,000
3567 State Contributions-Police	98,018	103,270	0	0
TOTAL (261)	99,761	105,271	3,000	3,000
STATE ASSET SEIZURE (262)				
3431 Pooled Investment-Interest	4,611	4,357	3,000	4,000
3567 State Contributions-Police	20,000	20,000	0	6,000
TOTAL (262)	24,611	24,357	3,000	10,000
FEDERAL ASSET SEIZURE (263)				
3431 Pooled Investment-Interest	446	298	0	1,000
TOTAL (263)	446	298	0	1,000
LOCAL LAW ENFORCMNT BLOCK GRANT (264)				
3431 Pooled Investment-Interest	684	143	0	0
3557 Federal Contributions-Police	38,654	2,244	0	0

Financial Information Revenues by Fund (Detail)

Description	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
3831 Appn Transfers in from General	1,557	0	0	0
TOTAL (264)	40,895	2,387	0	0
COPS IN SCHOOL (266)				
3431 Pooled Investment-Interest	3	0	0	0
3931 Appn Transfers out to General	(496)	0	0	0
TOTAL (266)	(493)	0	0	0
JUSTICE ASSISTANCE GRANT (267)				
3431 Pooled Investment-Interest	0	429	0	0
3557 Federal Contributions-Police	0	9,899	0	0
TOTAL (267)	0	10,328	0	0
SOLID WASTE SERVICES (280)				
3136 Solid Waste-HHW-Contract & Public	60,610	128,147	140,000	140,000
3139 County-wide AB 939 Fee	171,937	170,659	100,000	100,000
3431 Pooled Investment-Interest	13,624	22,781	18,000	20,000
3615 Engineering & Planning Services	37,526	35,935	42,000	42,000
3790 Miscellaneous Other Revenue	250	450	0	0
3901 Op Trfs Out To the General Fund	0	(8,590)	(37,613)	(87,727)
TOTAL (280)	283,946	349,382	262,387	214,273
SOLID WASTE REDUCTION (281)				
3135 Solid Waste-Community Relations	141,120	133,509	142,000	142,000
3136 Solid Waste-HHW-Contract & Public	85,036	145,719	158,000	158,000
3431 Pooled Investment-Interest	7,634	12,685	10,000	13,000
3565 State Contributions-Eng & Planning	18,052	17,663	0	0
3790 Miscellaneous Other Revenue	5,675	4,714	0	0
3901 Op Trfs Out To the General Fund	(4,000)	(11,876)	0	(101,336)
TOTAL (281)	253,516	302,414	310,000	211,664
HOUSING RESERVE FUND (290)				
3431 Pooled Investment-Interest	372,815	688,729	453,000	713,000
3433 Other Interest Income	21,256	(65,267)	2,000	2,000
3760 Developer Contribution	0	1,750,000	0	0
3790 Miscellaneous Other Revenue	0	0	35,800	0
3811 Op Transfers in from RDA	5,160,555	5,867,736	5,471,000	6,011,000
3901 Op Trfs Out To the General Fund	(702,868)	(764,576)	(694,746)	(1,100,655)
3941 Appn Transfers out to RDA	(410,797)	(362,593)	0	0
TOTAL (290)	4,440,961	7,114,029	5,267,054	5,625,345
HOUSING RESERVE 97 TABS (291)				
3431 Pooled Investment-Interest	188,917	232,063	185,000	0
3911 Op Trfs Out To the RDA Project Fund	(180,361)	0	0	0
TOTAL (291)	8,556	232,063	185,000	0
STREET FUND (310)				
3431 Pooled Investment-Interest	361,704	360,643	305,000	376,000
3433 Other Interest Income	(9,300)	(15,889)	0	0
3575 County Contributions-Eng & Plan	25,791	0	0	0
3710 Development	0	200,000	0	0
3790 Miscellaneous Other Revenue	0	1,447	0	0
3802 Op Transfers in from Gas Tax F	1,300,000	1,200,000	1,500,000	1,200,000
3899 Op Trfs in from Subsidiary CIP Fund	0	0	370,000	0

Financial Information Revenues by Fund (Detail)

Description	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
3901 Op Trfs Out To the General Fund	(780,000)	(1,000,000)	(844,178)	0
3911 Op Trfs Out To the RDA Project Fund	(139,348)	(300,600)	(5,000)	(5,000)
3922 Op Trfs Out To the General Government Fund	0	(10,000)	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	150,105	(2,682,108)	(1,605,202)	(2,095,000)
TOTAL (310)	908,951	(2,246,508)	(279,380)	(524,000)
STREET CIP (311)				
3555 Federal Contributions-Eng & Planning	0	0	946,092	0
3564 State Contributions-Public Works	391,000	190,475	0	0
3565 State Contributions-Eng & Planning	246,853	0	0	0
3574 County Contributions-Public Works	0	160,412	0	0
3575 County Contributions-Eng & Plan	411,272	62,500	0	0
3585 Other Restricted Grants-Eng & Planning	0	13,467	0	0
3710 Development	0	100,000	0	0
3760 Developer Contribution	1,439,356	1,100,000	0	0
3811 Op Transfers in from RDA	980,000	0	170,000	680,000
3818 Op Transfers in from Tax Alloc	0	0	0	300,000
3841 Appn Transfers in from Redevel	0	25,000	0	0
3850 Appn Tfr in from Debt Pr	325,000	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	1,605,202	2,095,000
3911 Op Trfs Out To the RDA Project Fund	(100,000)	0	0	0
3941 Appn Transfers out to RDA	0	(61,250)	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	(150,105)	2,682,108	(370,000)	0
TOTAL (311)	3,543,376	4,272,712	2,351,294	3,075,000
TRAFFIC IMPACT FEE (312)				
3710 Development	0	1,139,166	0	0
TOTAL (312)	0	1,139,166	0	0
TRAFFIC CONGESTION RELIEF (313)				
3565 State Contributions-Eng & Planning	0	771,766	0	0
TOTAL (313)	0	771,766	0	0
PARK IMPROVEMENT FUND (320)				
3431 Pooled Investment-Interest	224,334	239,565	176,000	228,000
3433 Other Interest Income	65	65	0	0
3710 Development	477,945	0	0	0
3790 Miscellaneous Other Revenue	0	735	0	0
3811 Op Transfers in from RDA	0	0	600,000	0
3911 Op Trfs Out To the RDA Project Fund	0	(700,000)	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	(250,000)	(244,000)	(370,000)	(590,000)
TOTAL (320)	452,344	(703,635)	406,000	(362,000)
PARK IMPROVEMENT CIP (321)				
3554 Federal Contributions-Public Works	31,917	0	0	0
3565 State Contributions-Eng & Planning	0	486,160	0	0
3574 County Contributions-Public Works	81,000	9,000	0	0
3750 Donations	1,044	129	0	0
3811 Op Transfers in from RDA	163,956	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	370,000	590,000
3911 Op Trfs Out To the RDA Project Fund	0	0	(175,000)	0

Financial Information Revenues by Fund (Detail)

Description	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
3999 Op Trfs Out To Subsidiary CIP Fund	290,000	244,000	0	0
TOTAL (321)	567,917	739,289	195,000	590,000
MIDTOWN PARK FUND (322)				
3431 Pooled Investment-Interest	25,068	35,546	28,000	33,000
3710 Development	957,879	0	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	(40,000)	0	0	0
TOTAL (322)	942,947	35,546	28,000	33,000
GENERAL GOVERNMENT (330)				
3431 Pooled Investment-Interest	42,441	43,744	22,000	38,000
3911 Op Trfs Out To the RDA Project Fund	0	(200,000)	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	0	200,000	0	0
TOTAL (330)	42,441	43,744	22,000	38,000
GENERAL GOVERNMENT CIP (331)				
3571 County Contributions-General Gov't	169,646	0	0	0
3581 Other Restricted Grants-General Gov't	0	0	50,000	50,000
3760 Developer Contribution	0	340,000	0	150,000
3809 Op Transfers in from Street Fu	0	10,000	0	0
3831 Appn Transfers in from General	0	500,000	0	0
3901 Op Trfs Out To the General Fund	0	0	(30,000)	0
3999 Op Trfs Out To Subsidiary CIP Fund	381,085	(200,000)	0	0
TOTAL (331)	550,731	650,000	20,000	200,000
TECHNOLOGY CERTIFICATES OF PARTICIPATION (332)				
3431 Pooled Investment-Interest	14,338	4,917	2,000	2,000
3432 Cash with Fiscal Agents	755	1,638	0	2,000
3433 Other Interest Income	(7,363)	0	0	0
3911 Op Trfs Out To the RDA Project Fund	(450,271)	(25,644)	0	0
3931 Appn Transfers out to General	(670)	(1,614)	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	(381,085)	0	0	0
TOTAL (332)	(824,297)	(20,703)	2,000	4,000
STORM DRAIN DEVELOPMENT CIP (340)				
3321 Urban Runoff Fines	0	400	0	0
3431 Pooled Investment-Interest	1,197	2,793	1,000	13,000
3710 Development	0	381,216	380,000	214,000
3941 Appn Transfers out to RDA	0	(400,000)	0	0
TOTAL (340)	1,197	(15,591)	381,000	227,000
RDA PROJECT FUND (390)				
3010 Property Taxes, Current	24,716,829	27,708,295	27,647,000	29,065,000
3030 Property Taxes, Supplement	498,578	898,146	590,000	990,000
3110 Sales and Use Tax	138,813	0	0	0
3431 Pooled Investment-Interest	1,284,583	1,204,878	1,128,000	1,102,000
3432 Cash with Fiscal Agents	7,133	18,352	11,000	16,000
3433 Other Interest Income	(304,169)	(200,815)	68,000	124,000
3601 General Government Service Charges	74,009	0	0	0
3603 Rents, Leases and Concessions-Gen Gov't	2,036	0	0	0
3770 Sale of Property, Plant and Equipment	57,751,500	0	0	0
3790 Miscellaneous Other Revenue	168,125	522	0	0

Financial Information Revenues by Fund (Detail)

Description	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
3809 Op Transfers in from Street Fu	204,348	106,850	0	0
3810 Op Transfers in from Park Impr	0	0	175,000	0
3812 Op Transfers in from Water M&O	0	686,651	0	0
3815 Op Transfers in from Sewer M&O	0	300,000	0	0
3822 Op Tfr in from General Gov't Fund	0	200,000	0	0
3831 Appn Transfers in from General	3,324	0	0	0
3838 Appn Transfers in from Housing	410,797	362,593	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	140,000	0
3901 Op Trfs Out To the General Fund	(6,245,452)	(6,374,333)	(11,455,379)	(11,220,847)
3908 Op Trfs Out To the Housing Reserve Fund	(5,160,555)	(5,867,736)	(5,471,000)	(6,011,000)
3909 Op Trfs Out To the Street Improvement Fund	(980,000)	(25,000)	(170,000)	(680,000)
3910 Op Trfs Out To the Park Improvement Fund	(163,956)	0	0	0
3919 Op Trfs Out To Other Miscellaneous Funds	0	0	0	(325,000)
3921 Op Trfs Out To the General Fund Sales Tax	(138,813)	0	0	0
3931 Appn Transfers out to General	(713,000)	(700,000)	0	0
3949 Other Appn Transfers Out	0	(166,399)	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	1,945,558	526,303	(1,103,014)	(1,025,000)
TOTAL (390)	73,499,688	18,678,307	11,559,607	12,035,153
REDEVELOPMENT CIP (391)				
3555 Federal Contributions-Eng & Planning	0	30,000	0	0
3556 Federal Contributions-Recreation	159,915	0	0	0
3565 State Contributions-Eng & Planning	0	0	131,986	0
3575 County Contributions-Eng & Plan	113,415	0	0	0
3760 Developer Contribution	464,910	24,167	2,000,000	75,000
3801 Op Transfers in from General F	0	0	0	100,000
3809 Op Transfers in from Street Fu	35,000	255,000	5,000	5,000
3810 Op Transfers in from Park Impr	0	700,000	0	0
3812 Op Transfers in from Water M&O	5,000	30,000	5,000	5,000
3815 Op Transfers in from Sewer M&O	5,000	30,000	5,000	5,000
3818 Op Transfers in from Tax Alloc	0	0	38,300,000	650,000
3819 Other Operating Transfers In	0	0	0	25,000
3820 Oper Transfer in from Debt Pro	630,633	25,644	0	0
3831 Appn Transfers in from General	0	3,000,000	0	0
3842 Appn Transfers in from Water M	0	350,000	0	0
3847 Appn Transfers in from Equipme	0	15,426	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	1,103,014	1,025,000
3910 Op Trfs Out To the Park Improvement Fund	0	0	(600,000)	0
3999 Op Trfs Out To Subsidiary CIP Fund	3,969,628	12,055,820	(140,000)	0
TOTAL (391)	5,383,500	16,516,057	40,810,000	1,890,000
97 RDA TABS (392)				
3431 Pooled Investment-Interest	137,063	169,986	135,000	152,000
3909 Op Trfs Out To the Street Improvement Fund	(325,000)	0	0	(300,000)
3911 Op Trfs Out To the RDA Project Fund	0	0	(4,600,000)	(577,000)
TOTAL (392)	(187,937)	169,986	(4,465,000)	(725,000)
2000 RDA TABS (393)				
3431 Pooled Investment-Interest	2,015	2,587	2,000	2,000
3911 Op Trfs Out To the RDA Project Fund	0	0	0	(73,000)
TOTAL (393)	2,015	2,587	2,000	(71,000)

Financial Information Revenues by Fund (Detail)

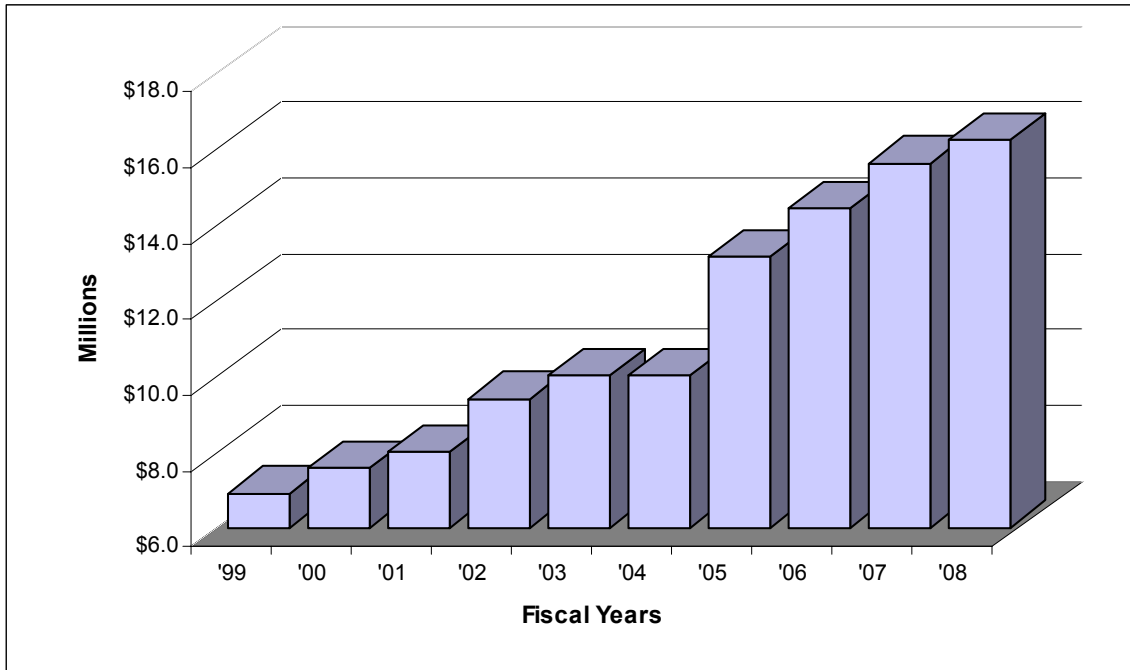
Description	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
2003 RDA TABS (395)				
3431 Pooled Investment-Interest	2,668,038	2,122,761	1,504,000	1,518,000
3433 Other Interest Income	3,350	0	0	0
3911 Op Trfs Out To the RDA Project Fund	0	0	(33,700,000)	0
3915 Op Trfs Out To the Sewer Fund	(1,000,000)	(193,961)	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	(5,915,186)	(12,582,123)	0	0
TOTAL (395)	(4,243,797)	(10,653,324)	(32,196,000)	1,518,000
WATER M & O FUND (400)				
3431 Pooled Investment-Interest	175,756	250,481	174,000	262,000
3433 Other Interest Income	(8,741)	(52,033)	0	0
3601 General Government Service Charges	17,575	0	0	0
3622 Water Service Agreements	22,861	60,247	5,000	12,500
3623 Metered Water Sales	12,213,166	12,984,542	13,871,000	14,565,000
3626 Construction Water	0	26,044	0	20,000
3790 Miscellaneous Other Revenue	129,556	153,400	0	0
3814 Op Transfers in from Recycled	360,000	440,000	440,000	440,000
3901 Op Trfs Out To the General Fund	(2,990,241)	(3,114,201)	(2,913,685)	(1,734,961)
3911 Op Trfs Out To the RDA Project Fund	(5,000)	(716,651)	(5,000)	(5,000)
3931 Appn Transfers out to General	(26,000)	0	0	0
3941 Appn Transfers out to RDA	0	(350,000)	0	0
3981 Contributions-Proprietary Fund	15,000	0	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	(662,951)	(900,000)	(1,560,000)	(2,540,000)
TOTAL (400)	9,240,982	8,781,828	10,011,315	11,019,539
WATER CIP (401)				
3899 Op Trfs in from Subsidiary CIP Fund	0	0	1,560,000	2,540,000
3999 Op Trfs Out To Subsidiary CIP Fund	662,951	900,000	0	0
TOTAL (401)	662,951	900,000	1,560,000	2,540,000
WATER LINE EXTENSION FUND (402)				
3431 Pooled Investment-Interest	9,066	29,994	23,000	47,000
3710 Development	46,921	509,261	408,000	516,000
TOTAL (402)	55,987	539,255	431,000	563,000
RECYCLED WATER FUND (406)				
3431 Pooled Investment-Interest	46,970	76,860	59,000	75,000
3433 Other Interest Income	(2,081)	(13,575)	0	0
3585 Other Restricted Grants-Eng & Planning	60,159	52,989	0	0
3622 Water Service Agreements	0	393	0	0
3623 Metered Water Sales	1,016,890	1,076,895	1,192,000	1,192,000
3790 Miscellaneous Other Revenue	8,967	8,820	0	9,000
3901 Op Trfs Out To the General Fund	(51,680)	(54,142)	(30,844)	(126,260)
3912 Op Trfs Out To the Water Fund	(360,000)	(440,000)	(440,000)	(440,000)
TOTAL (406)	719,224	708,240	780,156	709,740
SEWER M & O FUND (450)				
3030 Property Taxes, Supplement	551	9	0	0
3431 Pooled Investment-Interest	203,413	423,612	442,000	330,000
3433 Other Interest Income	(185,575)	(109,819)	0	6,000
3601 General Government Service Charges	3,371	0	0	0
3628 Sewer Service Charges	8,249,391	8,905,500	9,431,000	10,193,000
3760 Developer Contribution	0	(14,922)	0	0

Financial Information Revenues by Fund (Detail)

Description	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
3790 Miscellaneous Other Revenue	54,674	60,760	0	50,000
3901 Op Trfs Out To the General Fund	(2,190,471)	(2,262,174)	(2,109,137)	(1,547,952)
3911 Op Trfs Out To the RDA Project Fund	(5,000)	(330,000)	(5,000)	(5,000)
3931 Appn Transfers out to General	(26,000)	0	0	0
3980 Other Financing Sources	0	0	9,200,000	0
3981 Contributions-Proprietary Fund	31,675	0	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	(21,690)	(2,133,134)	(9,315,000)	(150,000)
TOTAL (450)	6,114,338	4,539,831	7,643,863	8,876,048
SEWER CIP (451)				
3572 So Bay Water Recycling Program	107,708	14,922	0	0
3760 Developer Contribution	0	2,466,500	0	0
3818 Op Transfers in from Tax Alloc	1,000,000	193,961	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	9,715,000	150,000
3999 Op Trfs Out To Subsidiary CIP Fund	(64,808)	9,448,500	0	0
TOTAL (451)	1,042,901	12,123,883	9,715,000	150,000
TREATMENT PLANT CONSTRUCTION F (452)				
3431 Pooled Investment-Interest	193,700	80,734	12,000	38,000
3433 Other Interest Income	385	385	0	0
3710 Development	325,766	824,726	875,000	1,005,000
3999 Op Trfs Out To Subsidiary CIP Fund	86,498	(7,040,366)	0	0
TOTAL (452)	606,349	(6,134,521)	887,000	1,043,000
SEWER INFRASTRTURE REPLMNT (455)				
3431 Pooled Investment-Interest	168,077	205,485	161,000	190,000
3999 Op Trfs Out To Subsidiary CIP Fund	0	(275,000)	(400,000)	0
TOTAL (455)	168,077	(69,515)	(239,000)	190,000
SOUTH BAY WATER RECYCLING PRGM (456)				
3431 Pooled Investment-Interest	25,632	31,635	28,000	28,000
TOTAL (456)	25,632	31,635	28,000	28,000
EQUIPMENT MGNT FUND (500)				
3431 Pooled Investment-Interest	0	194,175	170,000	175,000
3433 Other Interest Income	0	(39,355)	0	0
3671 Public Works Service Charges	1,575,717	2,508,922	0	2,740,692
3770 Sale of Property, Plant and Equipment	28,374	11,660	0	0
3790 Miscellaneous Other Revenue	2,378	0	0	0
3941 Appn Transfers out to RDA	0	(15,426)	0	0
3981 Contributions-Proprietary Fund	1,078,207	378,359	0	0
TOTAL (500)	2,684,676	3,038,335	170,000	2,915,692
INFORMATION TECHNOLOGY REPLMNT (505)				
3831 Appn Transfers in from General	0	200,000	0	0
TOTAL (505)	0	200,000	0	0
TOTAL	169,945,343	128,606,084	126,205,628	126,079,692

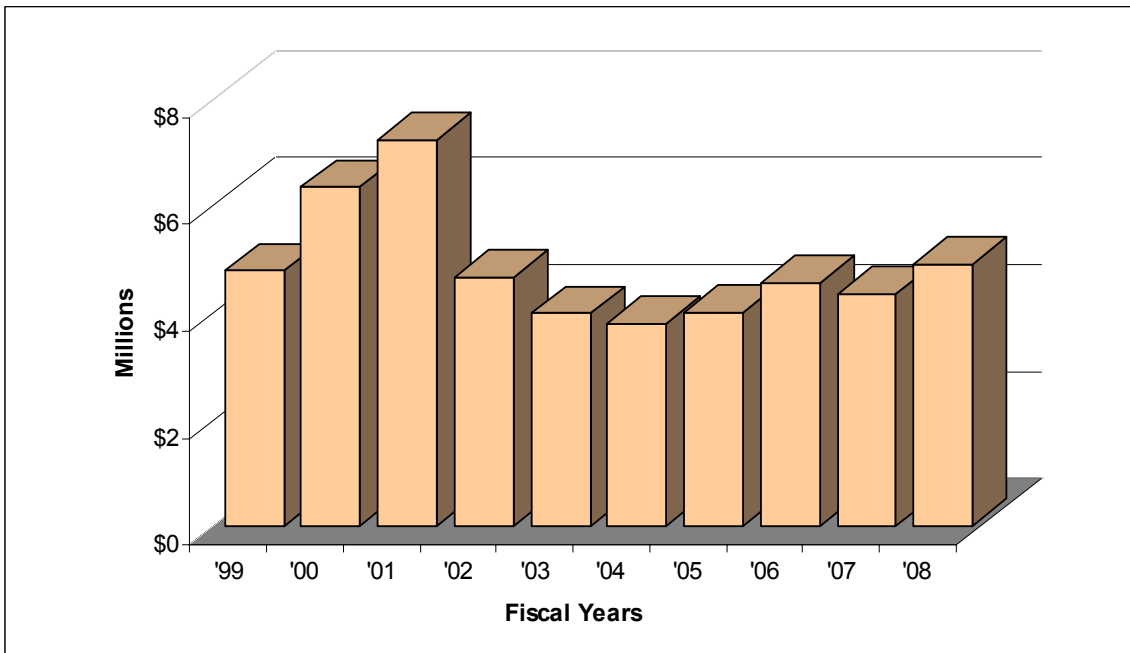
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**General Fund
History of Property Tax Revenue
1999 through 2008**



Santa Clara County assesses and bills, collects and distributes property tax to the City

**General Fund
History of Transient Occupancy Tax Revenue
1999 through 2008**

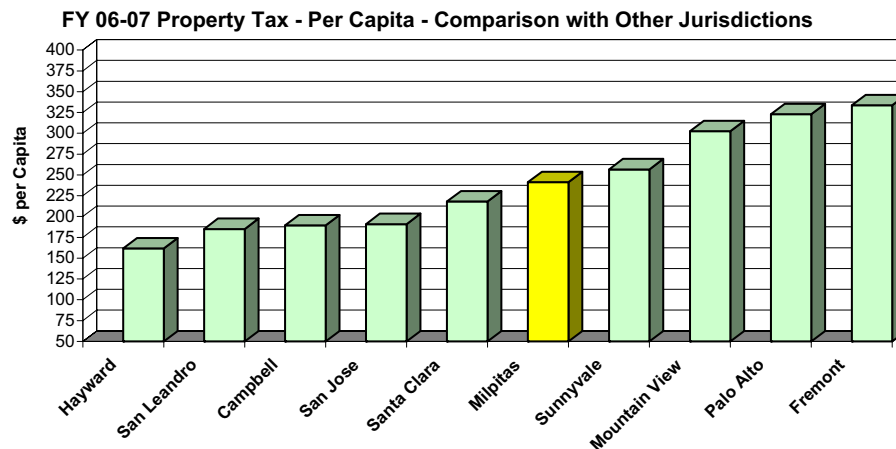


The City of Milpitas Transient Occupancy Rate is currently 10%

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**Property Tax
Comparison With Other Jurisdictions
FY 02-03 through FY 06-07**

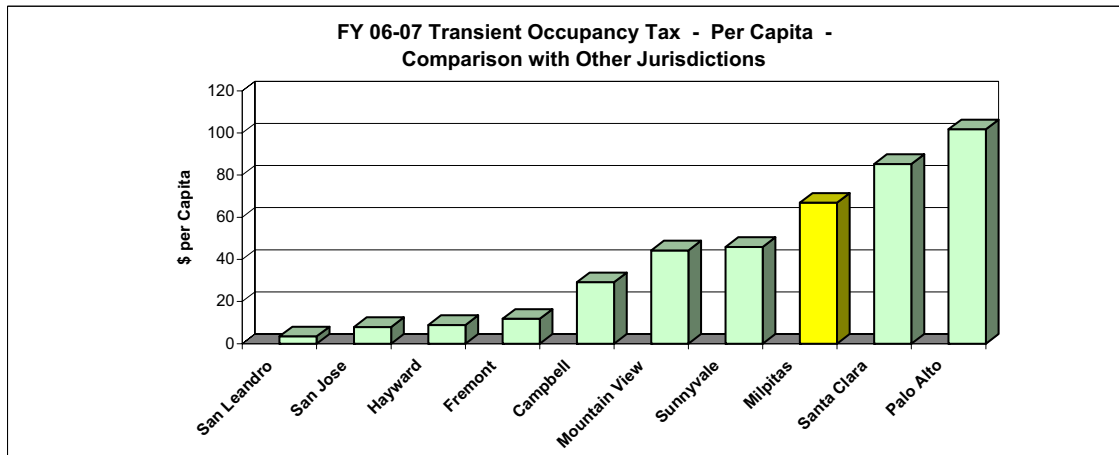
City	Actual 2002-03	Actual 2003-04	Actual 2004-05	Budgeted 2005-06	Budgeted 2006-07
Milpitas	\$10,008,699	\$10,015,239	\$13,121,767	\$13,534,000	\$15,609,000
% of General Fund	19%	20%	22%	21%	23%
Per Capita	157.68	158.92	209.29	211.47	241.25
Campbell	\$3,770,090	\$3,798,505	\$5,657,676	\$5,940,000	\$7,269,000
% of General Fund	15%	14%	20%	21%	24%
Per Capita	98.69	98.92	147.72	155.09	189.26
Fremont	\$33,036,823	\$35,264,364	\$61,790,662	\$68,792,000	\$70,225,000
% of General Fund	34%	36%	33%	37%	35%
Per Capita	158.07	168.66	293.62	326.89	333.70
Hayward	\$18,728,438	\$19,577,000	\$18,860,000	\$20,500,000	\$23,680,000
% of General Fund	23%	24%	20%	21%	24%
Per Capita	130.19	136.09	130.49	141.07	161.75
Mountain View	\$15,110,347	\$15,015,950	\$15,502,000	\$19,750,000	\$21,770,000
% of General Fund	21%	21%	21%	27%	27%
Per Capita	211.01	208.55	216.51	274.18	302.38
Palo Alto	\$13,821,000	\$13,740,000	\$16,699,942	\$18,173,800	\$20,300,000
% of General Fund	11%	14%	14%	14%	16%
Per Capita	228.45	226.73	271.85	292.43	322.91
San Jose	\$95,108,000	\$95,649,000	\$146,942,000	\$143,996,000	\$183,914,000
% of General Fund	18%	18%	26%	25%	29%
Per Capita	102.82	103.27	155.49	150.94	190.98
San Leandro	\$7,522,013	\$8,101,391	\$11,694,631	\$12,380,442	\$15,010,728
% of General Fund	11%	13%	17%	18%	20%
Per Capita	92.41	99.93	144.30	152.71	185.08
Santa Clara	\$17,228,401	\$16,369,266	\$19,934,513	\$20,115,000	\$24,164,651
% of General Fund	15%	13%	16%	16%	18%
Per Capita	162.84	154.67	184.97	184.36	218.15
Sunnyvale	\$23,868,187	\$23,580,170	\$31,561,137	\$33,069,572	\$34,150,296
% of General Fund	28%	24%	30%	30%	30%
Per Capita	181.12	177.29	237.15	248.48	256.60



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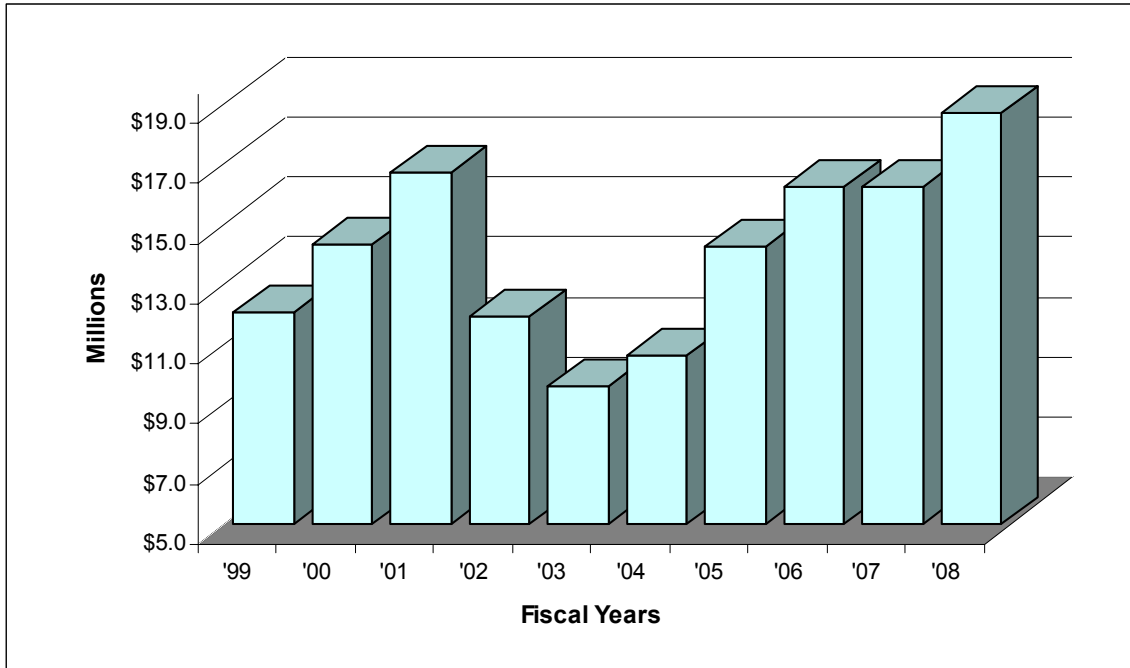
**Transient Occupancy Tax
Comparison With Other Jurisdictions
FY 02-03 through FY 06-07**

City	Actual 2002-03	Actual 2003-04	Actual 2004-05	Budgeted 2005-06	Budgeted 2006-07
Milpitas	\$3,960,704	\$3,773,974	\$3,986,016	\$4,301,000	\$4,331,000
% of General Fund	8%	7%	7%	7%	6%
Per Capita	62.40	59.89	63.57	67.20	66.94
Campbell	\$970,000	\$882,464	\$894,179	\$950,000	\$1,120,000
% of General Fund	4%	3%	3%	3%	4%
Per Capita	25.39	22.98	23.35	24.80	29.16
Fremont	\$1,798,758	\$1,830,630	\$2,017,604	\$2,121,000	\$2,486,000
% of General Fund	2%	2%	1%	1%	1%
Per Capita	8.61	8.76	9.59	10.08	11.81
Hayward	\$1,214,604	\$1,143,000	\$1,292,000	\$1,200,000	\$1,300,000
% of General Fund	2%	1%	1%	1%	1%
Per Capita	8.44	7.95	8.94	8.26	8.88
Mountain View	\$2,367,384	\$2,246,070	\$2,583,000	\$2,558,000	\$3,188,000
% of General Fund	3%	3%	4%	3%	4%
Per Capita	33.06	31.20	36.08	35.51	44.28
Palo Alto	\$5,333,000	\$5,489,000	\$5,685,748	\$6,173,000	\$6,400,000
% of General Fund	4%	6%	5%	5%	5%
Per Capita	88.15	90.58	92.56	99.33	101.81
San Jose	\$5,800,000	\$14,182,931	\$6,409,000	\$6,450,000	\$7,600,000
% of General Fund	1%	3%	1%	1%	1%
Per Capita	6.27	15.31	6.78	6.76	7.89
San Leandro	\$174,031	\$311,522	\$323,466	\$315,000	\$280,000
% of General Fund	0.26%	0.48%	0.47%	0.45%	0.38%
Per Capita	2.14	3.84	3.99	3.89	3.45
Santa Clara	\$7,889,562	\$7,159,622	\$7,795,616	\$7,904,000	\$9,450,000
% of General Fund	7%	6%	6%	6%	7%
Per Capita	74.57	67.65	72.33	72.44	85.31
Sunnyvale	\$5,093,149	\$4,751,669	\$5,073,824	\$5,461,025	\$6,109,305
% of General Fund	6%	5%	5%	5%	5%
Per Capita	38.65	35.73	38.12	41.03	45.90



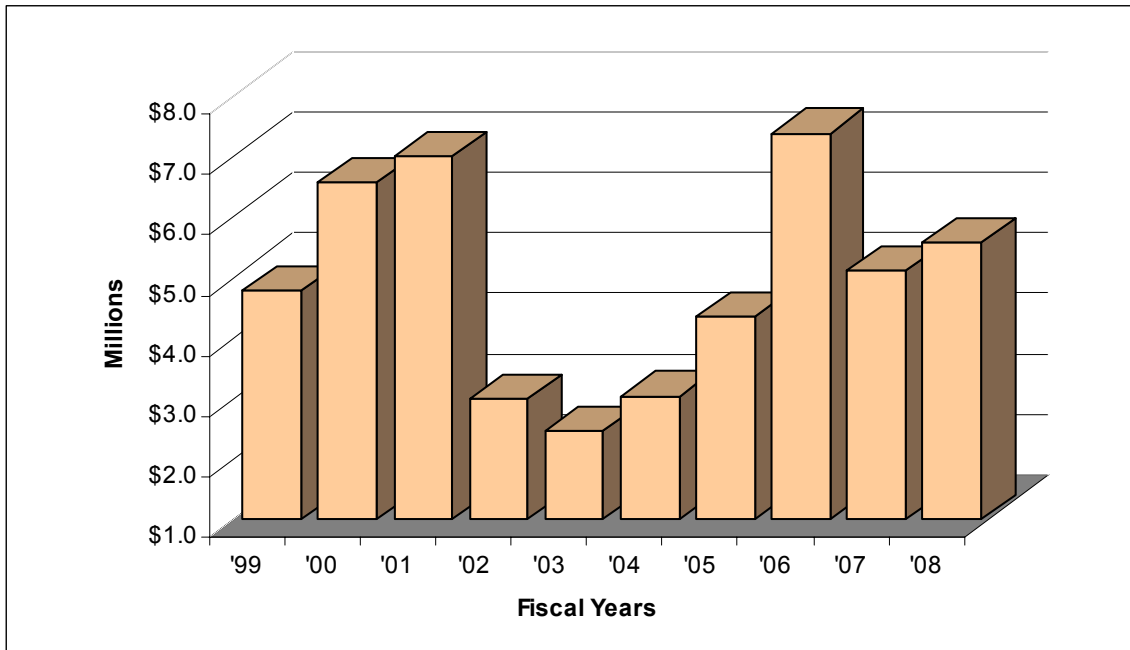
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**General Fund
History of Sales Tax Revenue
1999 through 2008**



Of the \$.0875 sales tax paid on every \$1 spent when shopping in Milpitas, \$.01 is returned to the City.

**General Fund
History of License, Permit and Fine Revenue
1999 through 2008**

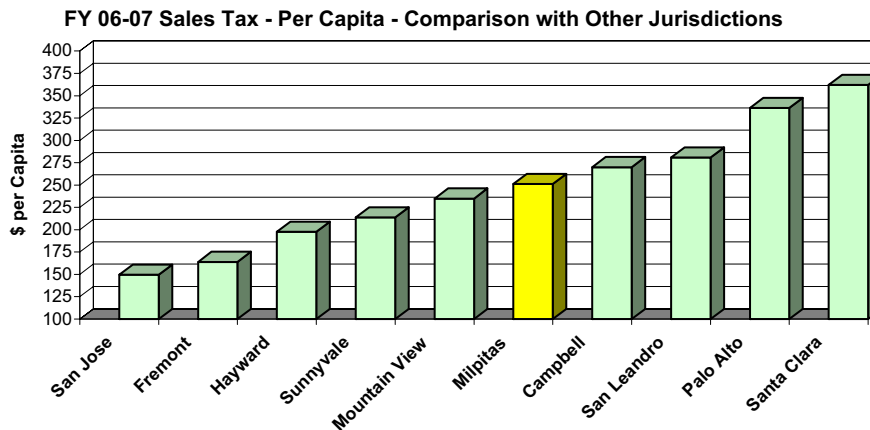


License, Permit and Fine Revenues include: Building Permits and Vehicle Code Fines.

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**Sales Tax
Comparison With Other Jurisdictions
FY 02-03 through FY 06-07**

City	Actual 2002-03	Actual 2003-04	Actual 2004-05	Budgeted 2005-06	Budgeted 2006-07
Milpitas	\$9,568,227	\$10,635,247	\$14,270,542	\$15,595,000	\$16,245,000
% of General Fund	18%	21%	24%	24%	24%
Per Capita	150.74	168.76	227.61	243.67	251.08
Campbell	\$8,997,381	\$10,684,234	\$9,973,506	\$10,000,000	\$10,368,000
% of General Fund	35%	40%	35%	36%	34%
Per Capita	235.53	278.24	260.40	261.10	269.94
Fremont	\$28,202,974	\$26,796,489	\$30,619,014	\$30,121,000	\$34,263,000
% of General Fund	29%	28%	16%	16%	17%
Per Capita	134.94	128.16	146.50	144.12	163.88
Hayward	\$25,779,520	\$25,413,000	\$27,155,000	\$27,295,000	\$28,933,000
% of General Fund	32%	31%	29%	28%	29%
Per Capita	179.21	176.66	187.88	187.82	197.63
Mountain View	\$14,327,643	\$14,158,520	\$14,852,000	\$15,607,000	\$16,908,000
% of General Fund	20%	20%	20%	21%	21%
Per Capita	200.08	196.65	207.43	216.66	234.85
Palo Alto	\$18,041,000	\$18,151,000	\$19,308,290	\$20,020,000	\$21,133,000
% of General Fund	15%	19%	17%	16%	16%
Per Capita	298.20	299.52	314.31	322.13	336.16
San Jose	\$127,457,000	\$130,698,000	\$133,113,000	\$135,243,000	\$144,008,000
% of General Fund	24%	25%	24%	23%	22%
Per Capita	137.79	141.11	140.86	141.76	149.54
San Leandro	\$20,938,399	\$20,347,191	\$20,971,760	\$21,960,000	\$22,766,255
% of General Fund	31%	32%	31%	31%	31%
Per Capita	257.23	250.98	258.76	270.86	280.71
Santa Clara	\$33,814,782	\$35,976,144	\$37,076,578	\$37,053,000	\$40,110,000
% of General Fund	29%	30%	30%	30%	30%
Per Capita	319.61	339.94	344.02	339.61	362.10
Sunnyvale	\$22,766,997	\$24,599,057	\$24,917,237	\$27,436,523	\$28,446,552
% of General Fund	26%	26%	23%	25%	25%
Per Capita	172.76	184.96	187.23	206.16	213.75

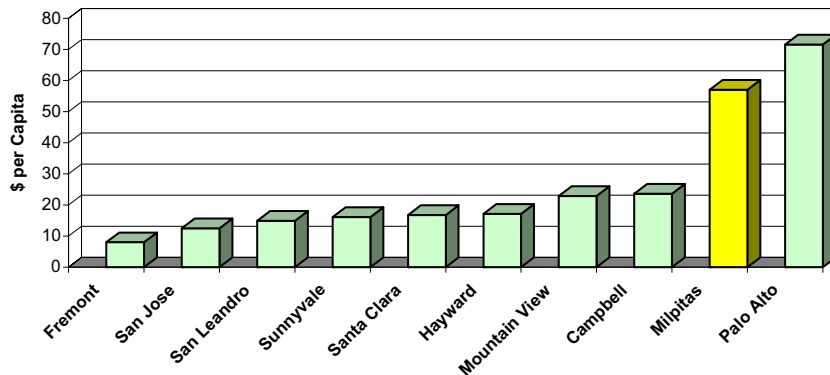


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**Building Permits
Comparison With Other Jurisdictions
FY 02-03 through FY 06-07**

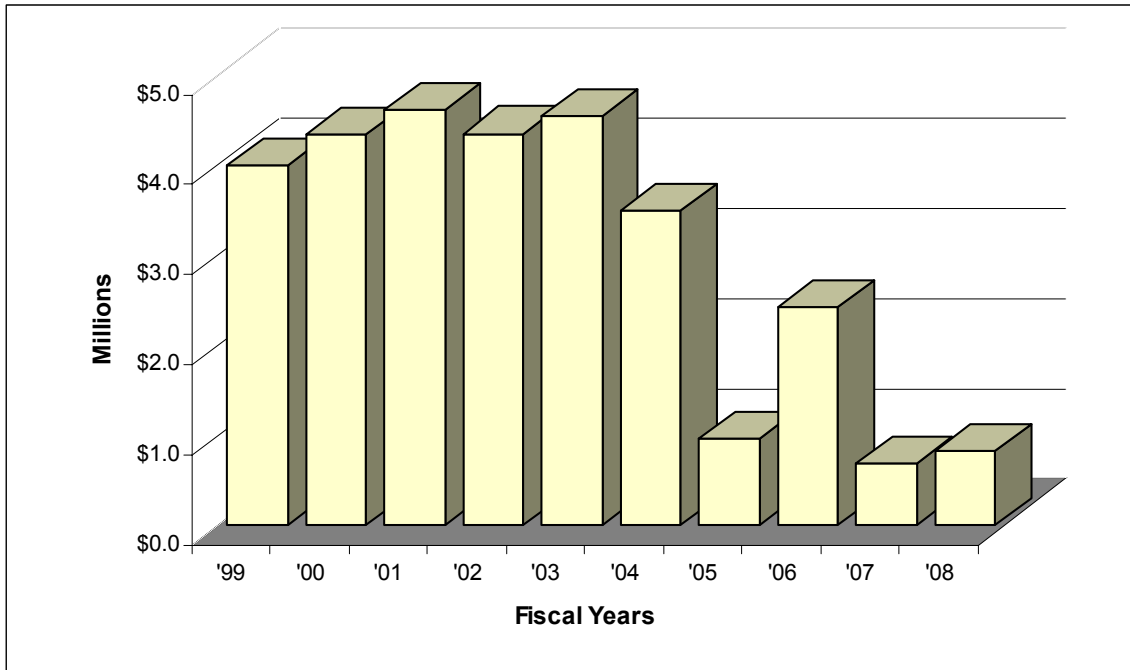
City	Actual 2002-03	Actual 2003-04	Actual 2004-05	Budgeted 2005-06	Budgeted 2006-07
Milpitas	\$1,270,407	\$1,460,360	\$2,876,211	\$2,475,000	\$3,688,000
% of General Fund	2%	3%	5%	4%	5%
Per Capita	20.01	23.17	45.87	38.67	57.00
Campbell	\$659,844	\$835,638	\$994,179	\$875,000	\$906,500
% of General Fund	3%	3%	3%	3%	3%
Per Capita	17.27	21.76	25.96	22.85	23.60
Fremont	\$1,379,409	\$1,784,607	\$1,844,078	\$1,990,322	\$1,686,000
% of General Fund	1%	2%	1%	1%	1%
Per Capita	6.60	8.54	8.76	9.46	8.01
Hayward	\$1,249,809	\$2,688,000	\$2,162,000	\$2,511,000	\$2,511,000
% of General Fund	2%	3%	2%	3%	3%
Per Capita	8.69	18.69	14.96	17.28	17.15
Mountain View	\$1,174,524	\$1,578,980	\$2,158,000	\$1,648,000	\$1,648,000
% of General Fund	2%	2%	3%	2%	2%
Per Capita	16.40	21.93	30.14	22.88	22.89
Palo Alto	\$4,429,000	\$2,758,000	\$3,668,342	\$4,244,860	\$4,496,892
% of General Fund	4%	3%	3%	3%	3%
Per Capita	73.21	45.51	59.71	68.30	71.53
San Jose	\$5,800,000	\$7,565,987	\$15,510,000	\$14,258,000	\$12,061,000
% of General Fund	1%	1%	3%	2%	2%
Per Capita	6.27	8.17	16.41	14.95	12.52
San Leandro	\$1,240,229	\$1,205,041	\$1,185,154	\$1,126,980	\$1,207,500
% of General Fund	2%	2%	2%	2%	2%
Per Capita	15.24	14.86	14.62	13.90	14.89
Santa Clara	\$1,715,812	\$1,605,240	\$2,157,045	\$1,900,000	\$1,858,000
% of General Fund	1%	1%	2%	2%	1%
Per Capita	16.22	15.17	20.01	17.41	16.77
Sunnyvale	\$940,146	\$1,549,278	\$1,813,403	\$1,950,000	\$2,144,706
% of General Fund	1%	2%	2%	2%	2%
Per Capita	7.13	11.65	13.63	14.65	16.12

**FY 06-07 Building Permit Revenue - Per Capita -
Comparison with Other Jurisdictions**



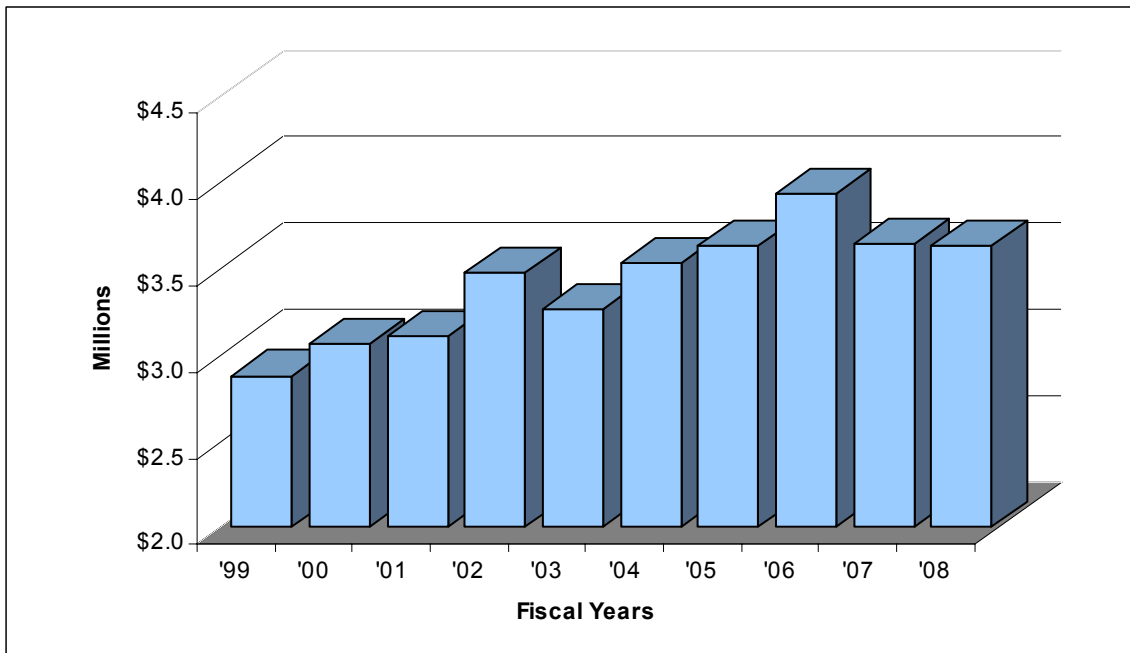
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**General Fund
History of Intergovernmental Revenue
1999 through 2008**



Intergovernmental Revenues include: Motor Vehicle In-Lieu Tax and Miscellaneous Grants.

**General Fund
History of "Other" Tax Revenue
1999 through 2008**



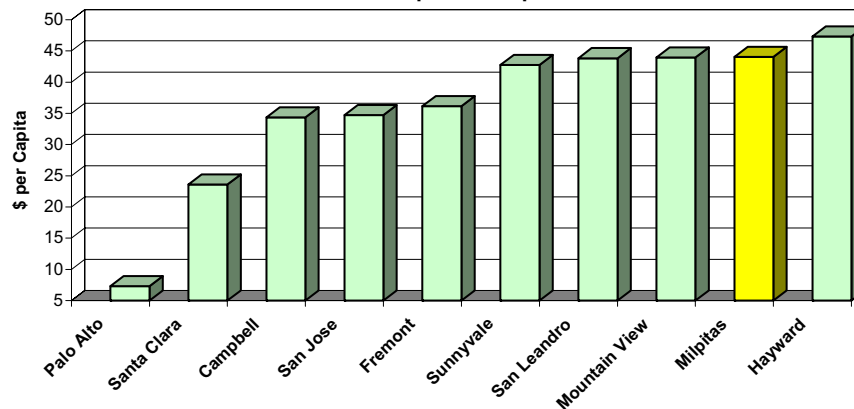
"Other" Tax Revenue include: Real Estate Transfer Tax, Franchise Fees and Business License Tax.

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**Franchise Fee Revenue
Comparison With Other Jurisdictions
FY 02-03 through FY 06-07**

City	Actual 2002-03	Actual 2003-04	Actual 2004-05	Budgeted 2005-06	Budgeted 2006-07
Milpitas	\$2,673,944	\$2,649,820	\$2,771,467	\$2,867,000	\$2,849,000
% of General Fund	5%	5%	5%	4%	4%
Per Capita	42.13	42.05	44.20	44.80	44.03
Campbell	\$1,199,010	\$1,237,222	\$1,262,319	\$1,265,000	\$1,320,000
% of General Fund	5%	5%	4%	4%	4%
Per Capita	31.39	32.22	32.96	33.03	34.37
Fremont	\$6,872,912	\$7,003,922	\$7,546,775	\$7,563,000	\$7,862,000
% of General Fund	7%	7%	4%	4%	4%
Per Capita	32.89	33.50	35.86	35.94	37.36
Hayward	\$5,393,572	\$5,588,000	\$6,624,000	\$6,883,000	\$6,927,000
% of General Fund	7%	7%	7%	7%	7%
Per Capita	37.49	38.84	45.83	47.36	47.32
Mountain View	\$2,764,649	\$2,816,470	\$2,992,000	\$3,166,000	\$3,284,000
% of General Fund	4%	4%	4%	4%	4%
Per Capita	38.61	39.12	41.79	43.95	45.61
Palo Alto	\$317,000	\$586,000	\$374,868	\$460,000	\$460,000
% of General Fund	0.26%	0.60%	0.32%	0.36%	0.36%
Per Capita	5.24	9.67	6.10	7.40	7.32
San Jose	\$32,093,000	\$31,763,435	\$33,722,000	\$33,138,000	\$36,904,000
% of General Fund	6%	6%	6%	6%	6%
Per Capita	34.70	34.29	35.68	34.74	38.32
San Leandro	\$3,329,375	\$3,605,260	\$3,597,465	\$3,570,500	\$4,150,400
% of General Fund	5%	6%	5%	5%	6%
Per Capita	40.90	44.47	44.39	44.04	51.18
Santa Clara	\$2,409,630	\$2,770,793	\$2,755,470	\$2,561,000	\$2,612,000
% of General Fund	2%	2%	2%	2%	2%
Per Capita	22.78	26.18	25.57	23.47	23.58
Sunnyvale	\$5,226,408	\$5,520,536	\$5,394,792	\$5,479,681	\$5,688,840
% of General Fund	6%	6%	5%	5%	5%
Per Capita	39.66	41.51	40.54	41.17	42.75

FY 06-07 Franchise Fee Revenue - Per Capita - Comparison with Other Jurisdictions



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Expenditures by Fund (Summary)

	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
100 General Fund	65,160,643	65,287,090	68,300,030	71,563,803
102 Library Fund	0	375,534	345,000	345,000
105 Abandon Veh Abatement	126,794	75,623	75,000	69,824
211 H-Hetch Ground Lease	10,119	14,286	26,000	32,000
212 Public Art Fund	0	10,000	0	0
235 95-1 Lighting/Lscape Dist	220,955	204,488	245,100	281,500
236 98-1 Lighting/Lscape Dist	26,105	38,945	27,000	30,000
250 HCD Fund	568,903	432,888	630,605	538,894
251 HCD Loan	(11,659)	26,450	88,518	60,883
261 Supplemental Law Enforcement	100,341	105,045	0	0
262 State Asset Seizure	13,170	65,360	45,000	30,000
263 Federal Asset Seizure	0	8,918	5,000	20,000
264 Local Law Enforcmnt Block Grant	39,619	8,799	0	0
267 Justice Assistance Grant	0	9,899	0	0
280 Solid Waste Services	223,430	181,509	171,336	228,592
281 Solid Waste Reduction	172,094	265,815	286,426	248,564
290 Housing Reserve Fund	401,961	2,768,971	121,456	5,424,658
310 Street Fund	25,065	374,929	138,945	151,310
311 Street CIP	7,093,024	2,981,802	2,351,294	3,075,000
321 Park Improvement CIP	1,162,725	894,504	195,000	590,000
331 General Government CIP	803,986	538,995	20,000	200,000
390 RDA Project Fund	107,210,484	20,464,680	15,203,045	15,193,985
391 Redevelopment CIP	5,901,973	13,088,894	40,810,000	1,890,000
395 2003 RDA TABs	20,039,441	0	4,000,000	4,000,000
400 Water M & O Fund	7,492,478	7,695,858	9,526,383	9,812,522
401 Water CIP	896,207	842,137	1,560,000	2,540,000
406 Recycled Water Fund	227,080	308,156	360,077	399,099
450 Sewer M & O Fund	3,492,119	(3,039,353)	7,685,785	9,644,386
451 Sewer CIP	1,579,459	8,227,424	9,715,000	150,000
500 Equipment Mgnt Fund	2,591,367	2,749,344	2,205,690	2,286,611
TOTAL	225,567,883	125,006,991	164,137,690	128,806,631

Fund/Function	Personnel Services	Supplies & Contractual Svcss	Capital Outlay	Debt Service	Capital Improvements	Total
GENERAL FUND						
City Council	172,304	154,988	0	0	0	327,292
City Manager	376,570	34,008	0	0	0	410,578
City Clerk	852,157	106,309	0	0	0	958,466
Building Inspection Services	1,408,067	49,780	0	0	0	1,457,847
Plan Checking	581,199	12,725	0	0	0	593,924
Building Administration	195,032	10,630	0	0	0	205,662
Permit Center	544,741	15,950	0	0	0	560,691
Information Services	1,979,593	731,895	0	0	0	2,711,488
Human Resources	599,627	559,037	0	0	0	1,158,664
City Attorney	0	806,080	0	0	0	806,080
Finance Administration	662,887	74,450	0	0	0	737,337
Accounting Services	1,298,554	24,360	0	0	0	1,322,914
Receivables	199,301	3,785	0	0	0	203,086
Purchasing	357,559	98,890	0	0	0	456,449
Public Works Administration	515,297	12,966	0	0	0	528,263
Street Maintenance	1,514,466	578,728	5,040	0	0	2,098,234
Trees & Landscape Mnt	1,347,162	231,475	0	0	0	1,578,637
Facilities Maintenance	1,432,930	669,413	0	0	0	2,102,343
Engineering Administration	161,178	10,409	3,000	0	0	174,587
Design & Construction	548,514	14,757	0	0	0	563,271
Land Development	671,426	70,398	0	0	0	741,824
Traffic Engineering	392,771	183,128	1,000	0	0	576,899
Planning & Nghbhd Svcs Admin	345,308	2,585	0	0	0	347,893
Planning	701,396	113,860	0	0	0	815,256
Neighborhood Preservation	284,752	262,596	0	0	0	547,348
Housing	319,614	330	0	0	0	319,944
Park Maintenance	2,063,637	437,341	0	0	0	2,500,978
Recreation Administration	1,070,258	111,155	0	0	0	1,181,413
Senior Citizen Services	551,648	201,380	0	0	0	753,028
Preschool	235,311	42,050	0	0	0	277,361
Summer Camp	87,924	19,600	0	0	0	107,524
After the Bell	235,007	10,000	0	0	0	245,007
Teens	154,538	10,015	0	0	0	164,553
Special Events	84,027	85,613	0	0	0	169,640
Cultural Arts	0	21,635	0	0	0	21,635
Rainbow Theatre	185,891	37,645	0	0	0	223,536
General Classes	86,720	326,709	0	0	0	413,429
Aquatics	326,717	30,887	0	0	0	357,604
Sports & Fitness Classes	389,748	50,843	0	0	0	440,591
Adult Sports	48,526	42,910	0	0	0	91,436
Volunteer Services	21,676	7,000	0	0	0	28,676
Police Administration	621,919	33,108	0	0	0	655,027

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Svcss	Capital Outlay	Debt Service	Capital Improvements	Total
Records	1,134,549	178,796	0	0	0	1,313,345
Personnel & Training	212,488	113,940	0	0	0	326,428
Communications	2,374,691	142,429	0	0	0	2,517,120
Patrol Services	9,652,458	435,958	17,589	0	0	10,106,005
Traffic	2,733,217	150,957	11,526	0	0	2,895,700
Crossing Guards	314,207	6,030	0	0	0	320,237
Community Relations	1,111,186	41,487	0	0	0	1,152,673
Investigations	2,110,290	368,903	6,398	0	0	2,485,591
Fire Administration	469,445	80,091	0	0	0	549,536
Emerg Resp & Prep Div Admin	225,734	58,837	0	0	0	284,571
A/B/C Battalion Operations	10,620,665	1,319,379	10,000	0	0	11,950,044
Disaster Prep & Public Ed	0	52,206	0	0	0	52,206
Prevention Div Admin	522,732	62,322	0	0	0	585,054
Fire Plan Check & Permits	160,130	56,290	0	0	0	216,420
Hazardous Materials Regulation	525,294	7,280	0	0	0	532,574
Inspection & Investigation	4,500	38,600	0	0	0	43,100
Non-Departmental	2,109,035	2,929,750	0	0	0	5,038,785
Debt Service	0	0	0	1,258,000	0	1,258,000
sub-total (100)	57,906,572	12,344,678	54,553	1,258,000	0	71,563,803
LIBRARY FUND						
City Manager	0	345,000	0	0	0	345,000
sub-total (102)	0	345,000	0	0	0	345,000
ABANDON VEH ABATEMENT						
Neighborhood Preservation	34,424	900	0	0	0	35,324
Traffic	34,500	0	0	0	0	34,500
sub-total (105)	68,924	900	0	0	0	69,824
H-HETCH GROUND LEASE						
Non-Departmental	0	32,000	0	0	0	32,000
sub-total (211)	0	32,000	0	0	0	32,000
95-1 LIGHTING/LSCAPE DIST						
Trees & Landscape Mnt	8,000	209,000	0	0	0	217,000
Engineering Administration	400	0	0	0	0	400
Land Development	5,000	59,100	0	0	0	64,100
sub-total (235)	13,400	268,100	0	0	0	281,500
98-1 LIGHTING/LSCAPE DIST						
Trees & Landscape Mnt	7,000	19,400	0	0	0	26,400
Engineering Administration	500	0	0	0	0	500
Land Development	2,000	1,100	0	0	0	3,100
sub-total (236)	9,500	20,500	0	0	0	30,000
HCD FUND						
Building Inspection Services	67,450	0	0	0	0	67,450
Accounting Services	20,000	0	0	0	0	20,000
Housing	90,776	352,668	0	0	0	443,444
Non-Departmental	2,000	6,000	0	0	0	8,000
sub-total (250)	180,226	358,668	0	0	0	538,894

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Svcss	Capital Outlay	Debt Service	Capital Improvements	Total
HCD LOAN						
Housing	0	60,883	0	0	0	60,883
sub-total (251)	0	60,883	0	0	0	60,883
STATE ASSET SEIZURE						
Traffic	0	0	15,000	0	0	15,000
Investigations	0	0	15,000	0	0	15,000
sub-total (262)	0	0	30,000	0	0	30,000
FEDERAL ASSET SEIZURE						
Investigations	0	0	20,000	0	0	20,000
sub-total (263)	0	0	20,000	0	0	20,000
SOLID WASTE SERVICES						
Solid Waste	115,592	113,000	0	0	0	228,592
sub-total (280)	115,592	113,000	0	0	0	228,592
SOLID WASTE REDUCTION						
Utility Engineering	5,000	0	0	0	0	5,000
Solid Waste	63,336	180,228	0	0	0	243,564
sub-total (281)	68,336	180,228	0	0	0	248,564
HOUSING RESERVE FUND						
RDA & Economic Dvp	36,408	34,250	0	0	0	70,658
Housing	0	54,000	0	0	0	54,000
Non-Departmental	0	5,300,000	0	0	0	5,300,000
sub-total (290)	36,408	5,388,250	0	0	0	5,424,658
STREET FUND						
Non-Departmental	0	151,310	0	0	0	151,310
sub-total (310)	0	151,310	0	0	0	151,310
STREET CIP						
Capital Improvement Projects	0	0	0	0	3,075,000	3,075,000
sub-total (311)	0	0	0	0	3,075,000	3,075,000
PARK IMPROVEMENT CIP						
Capital Improvement Projects	0	0	0	0	590,000	590,000
sub-total (321)	0	0	0	0	590,000	590,000
GENERAL GOVERNMENT CIP						
Capital Improvement Projects	0	0	0	0	200,000	200,000
sub-total (331)	0	0	0	0	200,000	200,000
RDA PROJECT FUND						
RDA & Economic Dvp	145,668	80,350	0	0	0	226,018
Traffic Engineering	167,652	0	0	0	0	167,652
Special Projects	1,053,516	7,010	0	0	0	1,060,526
Solid Waste	63,299	0	0	0	0	63,299
Non-Departmental	231,510	728,980	0	0	0	960,490
Debt Service	0	0	0	12,716,000	0	12,716,000
sub-total (390)	1,661,645	816,340	0	12,716,000	0	15,193,985
REDEVELOPMENT CIP						
Capital Improvement Projects	0	0	0	0	1,890,000	1,890,000
sub-total (391)	0	0	0	0	1,890,000	1,890,000

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Svcss	Capital Outlay	Debt Service	Capital Improvements	Total
2003 RDA TABS						
Debt Service	0	0	0	4,000,000	0	4,000,000
sub-total (395)	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,000,000</u>	<u>0</u>	<u>4,000,000</u>
WATER M & O FUND						
Receivables	200,746	0	0	0	0	200,746
Utilities	232,618	89,172	0	0	0	321,790
Utility Maintenance	1,006,893	389,051	110,000	0	0	1,505,944
Utility Engineering	434,435	305,767	0	0	0	740,202
Non-Departmental	195,800	6,848,040	0	0	0	7,043,840
sub-total (400)	<u>2,070,492</u>	<u>7,632,030</u>	<u>110,000</u>	<u>0</u>	<u>0</u>	<u>9,812,522</u>
WATER CIP						
Capital Improvement Projects	0	0	0	0	2,540,000	2,540,000
sub-total (401)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,540,000</u>	<u>2,540,000</u>
RECYCLED WATER FUND						
Receivables	13,371	0	0	0	0	13,371
Utilities	8,920	138	0	0	0	9,058
Utility Maintenance	57,050	12,613	0	0	0	69,663
Land Development	8,000	0	0	0	0	8,000
Utility Engineering	36,638	1,769	0	0	0	38,407
Non-Departmental	1,000	259,600	0	0	0	260,600
sub-total (406)	<u>124,979</u>	<u>274,120</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>399,099</u>
SEWER M & O FUND						
Receivables	53,505	0	0	0	0	53,505
Utilities	63,192	86,559	0	0	0	149,751
Utility Maintenance	759,579	304,154	0	0	0	1,063,733
Utility Engineering	326,015	132,007	0	0	0	458,022
Non-Departmental	121,755	7,066,620	0	0	0	7,188,375
Debt Service	0	0	0	731,000	0	731,000
sub-total (450)	<u>1,324,046</u>	<u>7,589,340</u>	<u>0</u>	<u>731,000</u>	<u>0</u>	<u>9,644,386</u>
SEWER CIP						
Capital Improvement Projects	0	0	0	0	150,000	150,000
sub-total (451)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>150,000</u>	<u>150,000</u>
EQUIPMENT MGNT FUND						
Fleet Maintenance	726,128	1,108,919	4,800	0	0	1,839,847
Non-Departmental	9,000	32,000	0	0	0	41,000
Equipment to be Depreciated	0	0	405,764	0	0	405,764
sub-total (500)	<u>735,128</u>	<u>1,140,919</u>	<u>410,564</u>	<u>0</u>	<u>0</u>	<u>2,286,611</u>
TOTAL	<u>64,315,248</u>	<u>36,716,266</u>	<u>625,117</u>	<u>18,705,000</u>	<u>8,445,000</u>	<u>128,806,631</u>

Financial Information Expenditures by Function

Function	Personnel Services	Supplies & Conrac Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
City Council	172,304	154,988	0	0	0	327,292
City Manager	376,570	379,008	0	0	0	755,578
City Clerk	852,157	106,309	0	0	0	958,466
RDA & Economic Dvp	182,076	114,600	0	0	0	296,676
Building Inspection Services	1,475,517	49,780	0	0	0	1,525,297
Plan Checking	581,199	12,725	0	0	0	593,924
Building Administration	195,032	10,630	0	0	0	205,662
Permit Center	544,741	15,950	0	0	0	560,691
Information Services	1,979,593	731,895	0	0	0	2,711,488
Human Resources	599,627	559,037	0	0	0	1,158,664
City Attorney	0	806,080	0	0	0	806,080
Finance Administration	662,887	74,450	0	0	0	737,337
Accounting Services	1,318,554	24,360	0	0	0	1,342,914
Receivables	466,923	3,785	0	0	0	470,708
Utilities	304,730	175,869	0	0	0	480,599
Purchasing	357,559	98,890	0	0	0	456,449
Public Works Administration	515,297	12,966	0	0	0	528,263
Street Maintenance	1,514,466	578,728	5,040	0	0	2,098,234
Utility Maintenance	1,823,522	705,818	110,000	0	0	2,639,340
Trees & Landscape Mnt	1,362,162	459,875	0	0	0	1,822,037
Fleet Maintenance	726,128	1,108,919	4,800	0	0	1,839,847
Facilities Maintenance	1,432,930	669,413	0	0	0	2,102,343
Engineering Administration	162,078	10,409	3,000	0	0	175,487
Design & Construction	548,514	14,757	0	0	0	563,271
Land Development	686,426	130,598	0	0	0	817,024
Traffic Engineering	560,423	183,128	1,000	0	0	744,551
Utility Engineering	802,088	439,543	0	0	0	1,241,631
Special Projects	1,053,516	7,010	0	0	0	1,060,526
Solid Waste	242,227	293,228	0	0	0	535,455
Planning & Nghbhd Svcs Ad	345,308	2,585	0	0	0	347,893
Planning	701,396	113,860	0	0	0	815,256
Neighborhood Preservation	319,176	263,496	0	0	0	582,672
Housing	410,390	467,881	0	0	0	878,271
Park Maintenance	2,063,637	437,341	0	0	0	2,500,978
Recreation Administration	1,070,258	111,155	0	0	0	1,181,413
Senior Citizen Services	551,648	201,380	0	0	0	753,028
Preschool	235,311	42,050	0	0	0	277,361
Summer Camp	87,924	19,600	0	0	0	107,524
After the Bell	235,007	10,000	0	0	0	245,007
Teens	154,538	10,015	0	0	0	164,553
Special Events	84,027	85,613	0	0	0	169,640

Financial Information Expenditures by Function

Function	Personnel Services	Supplies & Contrac Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
Cultural Arts	0	21,635	0	0	0	21,635
Rainbow Theatre	185,891	37,645	0	0	0	223,536
General Classes	86,720	326,709	0	0	0	413,429
Aquatics	326,717	30,887	0	0	0	357,604
Sports & Fitness Classes	389,748	50,843	0	0	0	440,591
Adult Sports	48,526	42,910	0	0	0	91,436
Volunteer Services	21,676	7,000	0	0	0	28,676
Police Administration	621,919	33,108	0	0	0	655,027
Records	1,134,549	178,796	0	0	0	1,313,345
Personnel & Training	212,488	113,940	0	0	0	326,428
Communications	2,374,691	142,429	0	0	0	2,517,120
Community Relations	1,111,186	41,487	0	0	0	1,152,673
Patrol Services	9,652,458	435,958	17,589	0	0	10,106,005
Traffic	2,767,717	150,957	26,526	0	0	2,945,200
Crossing Guards	314,207	6,030	0	0	0	320,237
Investigations	2,110,290	368,903	41,398	0	0	2,520,591
Fire Administration	469,445	80,091	0	0	0	549,536
Emerg Resp & Prep Div	225,734	58,837	0	0	0	284,571
A/B/C Battalion Operations	10,620,665	1,319,379	10,000	0	0	11,950,044
Prevention Div Admin	522,732	62,322	0	0	0	585,054
Inspection & Investigation	4,500	38,600	0	0	0	43,100
Haz Materials Regulation	525,294	7,280	0	0	0	532,574
Fire Plan Check & Permits	160,130	56,290	0	0	0	216,420
Disaster Prep & Public Ed	0	52,206	0	0	0	52,206
Non-Departmental	2,670,100	23,354,300	0	0	0	26,024,400
Debt Service	0	0	0	18,705,000	0	18,705,000
Equip to be Depreciated	0	0	405,764	0	0	405,764
Capital Improvement Proj	0	0	0	0	8,445,000	8,445,000
TOTAL	64,315,248	36,716,266	625,117	18,705,000	8,445,000	128,806,631

Financial Information Internal Cost Allocation by Fund Schedule

Function	FY07/08	Admin & O/H Cost	Reallocation	Program	100/102/105	211
	Budget	To be Allocated	Admin & O/H Cost	Cost	General	HH Lease
100 City Council	327,291	(177,588)	59,216	208,919	669	0
111 City Manager	755,578	(206,357)	78,955	628,176	372,496	0
114 City Clerk	958,466	(831,757)	48,250	174,959	100,566	0
116 RDA & Eco Development	296,676	0	114,045	410,721	0	0
530 Building Inspection	2,885,574	0	1,092,205	3,977,779	3,895,860	0
112 Information Services	2,711,488	(2,086,490)	243,443	868,441	34,390	0
115 Human Resources	1,158,664	(1,088,449)	26,318	96,533	0	0
120 City Attorney	806,080	(593,355)	83,341	296,066	0	0
300 Finance Admin	737,337	(364,171)	144,750	517,916	238,449	829
310 Accounting Services	1,342,914	(653,387)	258,795	948,322	427,399	1,485
320 Fiscal Services	951,307	(100,304)	326,783	1,177,786	65,496	228
330 Purchasing	456,449	(225,440)	89,920	320,929	147,756	513
420 Public Works	11,030,064	(3,984,241)	2,634,010	9,679,833	5,638,201	0
410 Engineering	5,137,945	(120,310)	1,919,032	6,936,667	2,128,654	0
510 Planning & Neigh Presv	2,624,092	0	811,477	3,435,569	1,775,256	0
424 Park Maintenance	2,500,978	(25,010)	960,613	3,436,581	3,355,134	0
450 Recreation	4,475,433	(581,809)	1,511,104	5,404,728	5,340,411	0
700 Police Admin	655,027	(132,250)	201,773	724,550	686,366	0
710 Technical Services	4,156,893	(2,513,413)	636,022	2,279,502	2,159,372	0
720 Field Services	13,371,442	(2,689,700)	4,123,180	14,804,922	14,012,312	0
730 Special Operations	3,673,264	(734,566)	1,127,294	4,065,992	3,818,559	0
800 Fire Admin	549,536	(7,309)	210,545	752,772	705,724	0
810 Response Division	12,286,821	(163,415)	4,702,180	16,825,586	15,773,987	0
820 Prevention Division	1,377,148	(18,315)	528,556	1,887,389	1,769,428	0
910 Non-Departmental	30,024,400	(4,634,171)	0	25,390,229	379,892	32,000
930 Equipment to be Depreciated	405,764	0	0	405,764	0	0
TOTAL OP BUDGET	105,656,631	(21,931,807)	21,931,807	105,656,631	62,826,377	35,055
920 Debt Service	14,705,000	0	0	14,705,000	1,069,300	0
950 C I P Projects	8,445,000	0	0	8,445,000	0	0
Total	128,806,631	(21,931,807)	21,931,807	128,806,631	63,895,677	35,055
Op Cost Reimb					9,922,793	(3,055)
Total By Fund					73,818,470	32,000

Program Costs Allocated to Operating Funds						
280/281	290	390's	400/401	406	450/451	Other
Sld Wst	Housing	RDA	Water	Recycled	Sewer	Funds
0	31,338	133,708	21,498	1,818	19,889	0
0	45,308	158,579	26,477	2,265	23,051	0
0	12,247	48,989	5,686	490	6,981	0
0	96,976	313,745	0	0	0	0
0	1,564	11,731	0	0	1,172	67,450
0	87,539	390,798	146,506	12,419	196,789	0
0	8,350	15,899	40,370	3,514	28,400	0
0	43,492	173,968	33,752	2,931	41,923	0
0	25,896	119,121	32,888	8,649	92,085	0
0	46,416	213,514	58,948	15,503	165,056	20,000
0	7,113	32,720	733,341	33,577	305,312	0
0	16,046	73,814	20,379	5,360	57,061	0
0	9,818	127,052	2,089,330	95,981	1,476,051	243,400
666,219	161,181	2,116,075	1,046,044	71,205	679,189	68,100
0	160,532	930,595	53,298	4,512	7,050	504,327
0	5,842	75,605	0	0	0	0
0	10,268	54,046	0	0	0	0
0	7,246	22,461	4,057	217	4,202	0
0	22,795	70,664	12,765	683	13,221	0
0	147,555	457,417	82,630	4,426	85,582	15,000
0	40,310	124,961	22,574	1,209	23,380	35,000
0	9,184	37,639	75	0	151	0
0	205,271	841,280	1,682	0	3,365	0
0	23,026	94,370	189	0	377	0
0	5,300,000	4,972,021	7,052,094	260,600	7,193,311	200,310
0	0	0	0	0	0	405,764
666,219	6,525,313	11,610,772	11,484,583	525,359	10,423,598	1,559,351
0	0	12,804,060	62,900	0	768,740	0
0	0	1,890,000	2,540,000	0	150,000	3,865,000
666,219	6,525,313	26,304,832	14,087,483	525,359	11,342,338	5,424,351
(189,063)	(1,100,655)	(5,220,847)	(1,734,961)	(126,260)	(1,547,952)	0
477,156	5,424,658	21,083,985	12,352,522	399,099	9,794,386	5,424,351

Origin and Purpose of Transfer		Transfer Distribution
From the General Fund	To the RDA Project Fund for: City Building Improvements (8182)	100,000
	sub-total	100,000
From the Library Fund	To Public Art Fund for: Public Art Purchases and Maintenance	125,000
	sub-total	125,000
From the Library Fund	To the General Fund for: Operating Cost Reimbursement	260,000
	sub-total	260,000
From the H-Hetch Ground Lease	To the General Fund for: Operating Cost Reimbursement	3,055
	sub-total	3,055
From the Public Art Fund	To the RDA Project Fund for: Public Art Improvements (8186)	25,000
	sub-total	25,000
From the Gas Tax Fund	To the Street Improvement Fund for: Various Street CIP Projects	1,200,000
	sub-total	1,200,000
From the Solid Waste Services	To the General Fund for: Operating Cost Reimbursement	87,727
	sub-total	87,727
From the Solid Waste Reduction	To the General Fund for: Operating Cost Reimbursement	101,336
	sub-total	101,336
From the Housing Reserve Fund	To the General Fund for: Operating Cost Reimbursement	1,100,655
	sub-total	1,100,655
* From the Street Fund	To Subsidiary CIP Fund for: Abbott Ave Storm Drain Improvement (4224) Clean & Safe Streets (4240) Hwy 237/I-880 Interchange (4170) Minor Storm Drain Projects (4239) Street Light & Signal Pole Painting 2008 (4241) Street Resurfacing Project 2008 (4242) Traffic Management Enhancements 2007 (4237) Traffic Signal Modifications 2007 (4238)	110,000 75,000 200,000 10,000 170,000 1,400,000 50,000 80,000
	sub-total	2,095,000
From the Street Fund	To the RDA Project Fund for: Bart Extension Coordination and Planning (8164)	5,000
	sub-total	5,000
* From the Park Improvement Fund	To Subsidiary CIP Fund for: Park renovation Project 2007 (5082) Electrical cabinet Upgrade (5085) Park Irrigation System Rehabilitation (5086) Berryessa Creek Trail, Reach 6A (5084)	80,000 100,000 400,000 10,000
	sub-total	590,000

Financial Information Operating Transfers Statement

Origin and Purpose of Transfer		Transfer Distribution
From the RDA Project Fund	To Public Art Fund for: Public Art Purchases	325,000
	sub-total	325,000
* From the RDA Project Fund	To Subsidiary CIP Fund for: Range Lead Containment System (8174) Corporation Yard Canopies (8183) In-ground Water Clarifiers (8184) Midtown EIR Amendment (8185) Bart Extension Coordination and Planning (8164) Storm Pump Station Improvements (8188)	40,000 600,000 175,000 75,000 85,000 50,000
	sub-total	1,025,000
From the RDA Project Fund	To the General Fund for: Operating Cost Reimbursement Public Improvement Purchase	5,220,847 6,000,000
	sub-total	11,220,847
* From the RDA Project Fund	To the Housing Reserve Fund for: 20% Housing Set Aside	6,011,000
	sub-total	6,011,000
From the RDA Project Fund	To the Street Improvement Fund for: Calaveras Blvd R/R Overcrg Landscaping (4202) Gateway Signs Project (4227)	650,000 30,000
	sub-total	680,000
* From the 97 RDA TABs	To the RDA Project Fund for: City Building Improvements (8182) Carlo St & Calaveras Blvd Ramp Conv Study (8187)	327,000 250,000
	sub-total	577,000
From the 97 RDA TABs	To the Street Improvement Fund for: Dixon Landing/I-880 Interchange (4047) Hwy 237/I-880 Interchange (4170)	100,000 200,000
	sub-total	300,000
* From the 2000 RDA TABs	To the RDA Project Fund for: City Building Improvements (8182)	73,000
	sub-total	73,000
* From the Water M & O Fund	To Subsidiary CIP Fund for: Water System Sesmic Improvements (7100) Gibraltar Reservoir & Pump Station (7101) Minor Water Projects 2007 (7103)	650,000 1,800,000 90,000
	sub-total	2,540,000
From the Water M & O Fund	To the General Fund for: Operating Cost Reimbursement	1,734,961
	sub-total	1,734,961
From the Water M & O Fund	To the RDA Project Fund for: Bart Extension Coordination and Planning (8164)	5,000
	sub-total	5,000
From the Recycled Water Fund	To the General Fund for: Operating Cost Reimbursement	126,260
	sub-total	126,260

Financial Information Operating Transfers Statement

Origin and Purpose of Transfer		Transfer Distribution
* From the Recycled Water Fund	To the Water Fund for: To Maintain Support for Lost Sales	440,000
	sub-total	440,000
* From the Sewer M & O Fund	To Subsidiary CIP Fund for: Venus Pump Station (6101)	150,000
	sub-total	150,000
From the Sewer M & O Fund	To the General Fund for: Operating Cost Reimbursement	1,547,952
	sub-total	1,547,952
From the Sewer M & O Fund	To the RDA Project Fund for: Bart Extension Coordination and Planning (8164)	5,000
	sub-total	5,000
TOTAL TRANSFERS:		32,453,793

Note: * Interfund Transfers, within the same fund group, are not included in the Budget Summary.

FUNCTION: City Council

CITY MANAGER: Thomas Williams

Description: This function serves as the governing body of the City, provides legislative direction, and promulgates policies pertaining to the provision of services and direction of City government.

Services

- Serves as governing body of the City.
- Provides legislative direction to the City.
- Promulgates policies for provision of services and direction for the City.
- Enacts ordinances and resolutions necessary for governing the affairs of the City.
- Adopts the Annual Operating Budget and Capital Improvement Plan.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2006-2007 Accomplishments					
1. Provided policy direction for the City's operation.		x		x	x
2. Established citywide priorities for fiscal year.	x	x	x	x	x
3. Placed emphasis on citywide economic recovery focusing on Midtown and Town Center areas.	x	x		x	x
4. Reviewed and adopted policies to maximize employee efficiency and accountability while increasing productivity.	x	x	x	x	x
2007-2008 Goals					
1. Develop Citywide Strategic Plan.	x	x	x	x	x
2. Provide comprehensive policy direction for the City's operation.		x		x	x
3. Establish citywide priorities for fiscal year 2007-08.	x	x		x	x
4. Provide sound fiscal policies and economic stability for the City.		x	x	x	
5. Review and adopt policies to increase efficiency for service delivery.	x	x		x	

Performance Measures	Actual 2004-05	Actual 2005-06	Projected 2006-07	Estimated 2007-08
City Council Meetings	27	23	23	23
Commission Meetings	126	125	121	121
Subcommittee Meetings	70	70	78	78
County/Regional Agency/Association Meetings	270	270	260	260

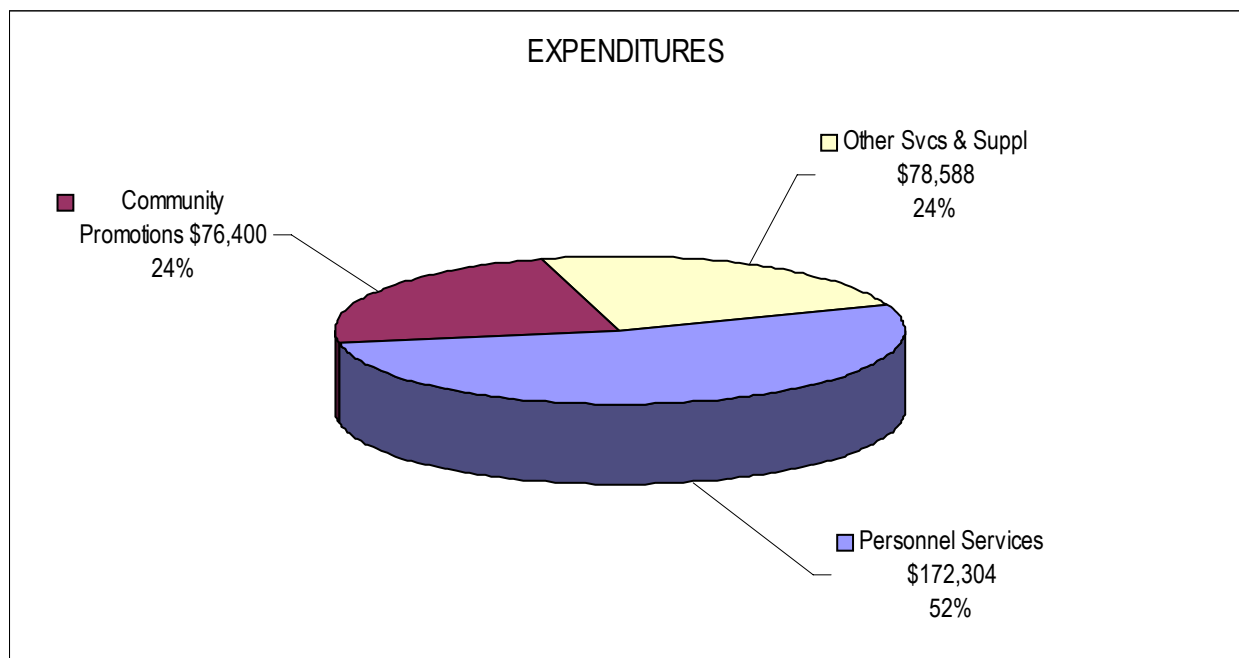
Personnel Allotment of 5 FTE

Position	FTE	Vacant	Funded			
Council Members	5					

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to prefunding of retiree medical benefits. Stipends for seven Planning Commissioners are included in the City Council budget.
Services and Supplies	No change, includes contribution to Chamber of Commerce and funding for Commissioners' Recognition Dinner.
Capital Outlay	None.



	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
PERSONNEL SERVICES				
4111 Permanent Salaries	58,288	57,701	59,676	59,676
4112 Temporary Salaries	2,725	2,900	3,000	3,000
4121 Allowances	37,727	37,733	38,700	38,700
4131 PERS	3,716	3,824	8,710	9,022
4132 Group Insurance	32,493	33,630	53,900	57,240
4133 Medicare	1,485	1,455	1,420	1,420
4135 Worker's Compensation	299	299	282	282
4139 PARS	674	843	0	0
4161 Retiree Medical Reserve	0	0	0	2,964
sub-total	<u>137,407</u>	<u>138,384</u>	<u>165,688</u>	<u>172,304</u>
SERVICES AND SUPPLIES				
4200 Community Promotions, Grants & Loans	46,468	68,750	76,400	76,400
4220 Supplies	1,525	1,314	4,000	4,000
4230 Services	19,522	3,052	0	0
4410 Communications	589	732	1,000	0
4501 Memberships and Dues	40,916	44,044	44,993	44,993
4503 Training	1,519	438	13,000	13,000
4520 Commissions and Boards	8,045	5,171	16,595	16,595
sub-total	<u>118,584</u>	<u>123,501</u>	<u>155,988</u>	<u>154,988</u>
CAPITAL OUTLAY				
TOTAL	<u><u>255,991</u></u>	<u><u>261,885</u></u>	<u><u>321,676</u></u>	<u><u>327,292</u></u>

FUNCTION:	City Manager	CITY MANAGER: Tom Williams
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Description: This function provides the administration of City government in an efficient and effective manner according to the general policy guidelines of the City Council and recommends strategies and solutions to issues for Council consideration.

Services

- Administers the operations of City government.
- Implements the City's general policy guidelines.
- Submits for adoption a balanced budget that identifies all the anticipated revenues and expenditures.
- Recommends strategies and solutions to City Council.
- Follows legislative activities of federal, state, regional and local political bodies and keeps Council apprised of the potential impact to the City.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2006-2007 Accomplishments					
1. Implemented City Council priorities for fiscal year 06-07.	x	x		x	x
2. Provided leadership to the municipal organization.		x		x	x
3. Continue showing fiscal management that limits department's budget expenditures to 2004-05 levels.	x	x		x	x
4. Continued to reorganize City departments and divisions to increase efficiency, accountability and at a savings to the City.	x	x	x	x	x
2007-2008 Goals					
1. Implement City Council priorities for fiscal year 07-08.	x	x		x	x
2. Provide leadership to municipal organization.	x	x	x	x	x
3. Continue with further implementation of the roadmap to service improvement project.	x	x		x	
4. Implement financial strategies that ensure cost effective City service delivery.		x	x	x	x
5. Continue to improve the economic base of the City.		x		x	x

Performance Measures	Actual 2004-05	Actual 2005-06	Projected 2006-07	Estimated 2007-08
City Council Meetings	27	23	23	23
Capital Improvement Program Projects Completed	13	12	12	13

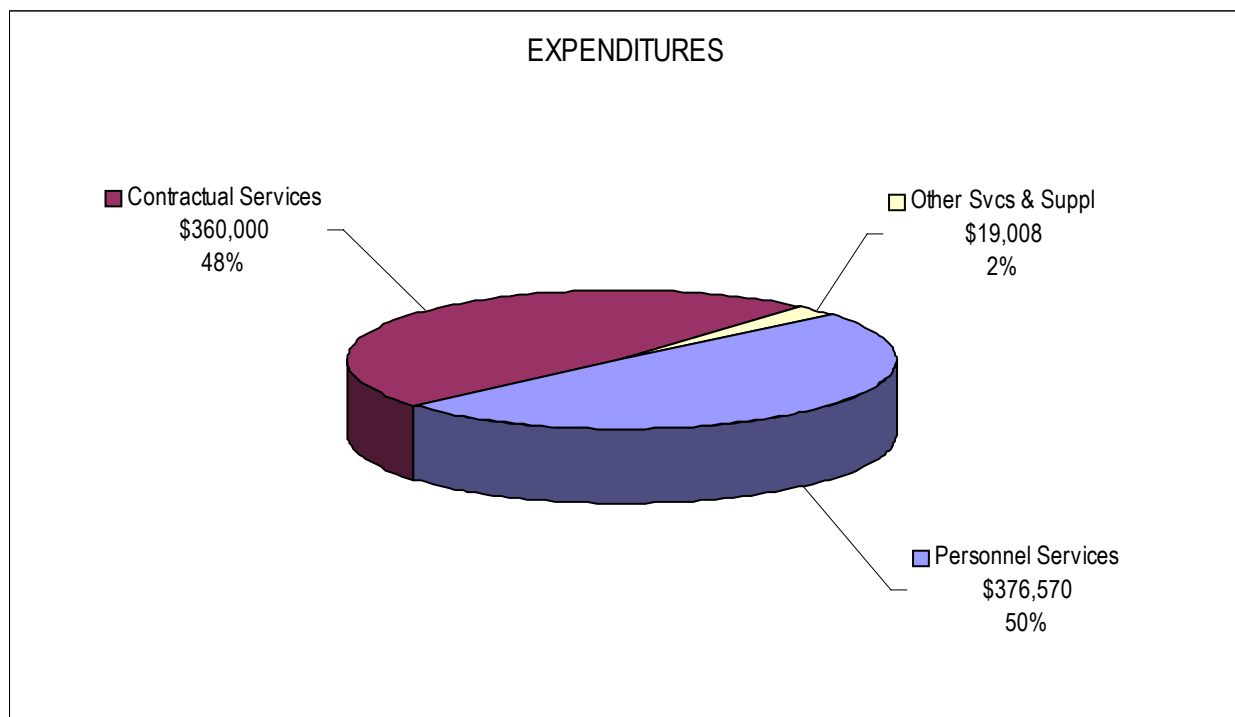
Personnel Allotment of 4 FTE

Position	FTE	Vacant	Funded	Position	FTE	Vacant	Funded
City Manager	1			Executive Secretary	2	1	0
Assistant City Manager	1	1	0				

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations and prefunding of retiree medical benefits.
Services and Supplies	Increase due to increased maintenance expense for City vehicle.
Capital Outlay	None.



	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
PERSONNEL SERVICES				
4111 Permanent Salaries	640,526	136,448	287,540	287,197
4112 Temporary Salaries	3,432	189,650	0	0
4113 Overtime	910	0	0	0
4121 Allowances	594	0	0	0
4124 Leave Cashout	78,068	3,481	0	0
4131 PERS	57,826	23,013	41,486	42,936
4132 Group Insurance	47,265	12,891	26,124	24,744
4133 Medicare	8,697	5,621	4,192	4,185
4135 Worker's Compensation	3,273	1,604	1,428	1,434
4138 Deferred Comp-Employer	3,783	1,239	1,800	1,800
4139 PARS	51	0	0	0
4161 Retiree Medical Reserve	0	0	0	14,274
sub-total	<u>844,426</u>	<u>373,947</u>	<u>362,570</u>	<u>376,570</u>
SERVICES AND SUPPLIES				
4200 Community Promotions, Grants & Loans	0	254	1,000	0
4211 Equip Replacement Amortization	0	0	0	3,908
4220 Supplies	4,005	1,865	5,500	5,500
4230 Services	11,178	376,265	360,000	360,000
4410 Communications	1,150	941	500	0
4501 Memberships and Dues	2,099	434	4,600	4,600
4503 Training	1,248	303	5,800	5,000
4520 Commissions and Boards	0	29	0	0
sub-total	<u>19,680</u>	<u>380,091</u>	<u>377,400</u>	<u>379,008</u>
CAPITAL OUTLAY				
TOTAL	<u><u>864,106</u></u>	<u><u>754,038</u></u>	<u><u>739,970</u></u>	<u><u>755,578</u></u>

FUNCTION:	City Clerk	CITY CLERK: Mary Lavelle
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Description: The City Clerk serves as the legislative administrator, elections official, and records manager for the City.

Services

- Ensures municipal records are readily available and accessible to the public and serves as main source of information to the citizens.
- Provides centralized records management, minutes and records of all City Council actions.
- Coordinates outreach and tracking of all Commission appointments.
- Provides codification of ordinances, i.e. maintenance of the Milpitas Municipal Code.
- Manages implementation of municipal elections, including campaign finance filing.
- Coordinates and receives annual Form 700s/ statements of economic interest filing for designated employees and Commissioners, and for elected officials.
- Accepts and processes US passport applications.
- Provides centralized Document Processing for police reports and other typed documents and printing/graphics services.
- Staffs the main lobby City Hall Information Desk, offering assistance to the public over the telephone and in person to City staff and the public at the counter.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2006-2007 Accomplishments					
1. Prepared City Council agendas and minutes for all regular and special meetings.	x				
2. Collected required FPPC filings (campaign documents and Conflict of Interest forms).	x			x	
3. Administered Passport Acceptance program.	x	x	x	x	
4. Provided public information to citizens, staff, and elected officials.	x	x			
5. Prepared documents for web-based public access online.	x	x			
6. Administered Municipal Election of November 7, 2006.	x	x	x	x	x
7. Began Records Retention review.	x			x	
8. Hired one new Document Processing Technician.			x		
2007-2008 Goals					
1. Ensure public access to documents online.	x	x			
2. Create, publish and distribute Commissioners Handbook.	x				
3. Prepare all City Council meeting agendas and minutes.	x				
4. Continue implementation of Open Government Ordinance.	x	x		x	
5. Continue Passport Application acceptance service.	x	x		x	
6. Review and Update Records Retention Schedule of 1995.	x			x	

Performance Measures	Actual 2004-05	Actual 2005-06	Projected 2006-07	Estimated 2007-08
City Council agenda items processed	631	578	600	625
Passport applications accepted	2,610	2,225	2,000	2,200
Public Information inquiries	34,349	32,583	33,000	34,000
Total Printing impressions (copies)	3,058,746	3,115,878	3,100,000	3,100,000
Total Documents processed	N/A	5,551*	5,250	5,250

*Began tracking

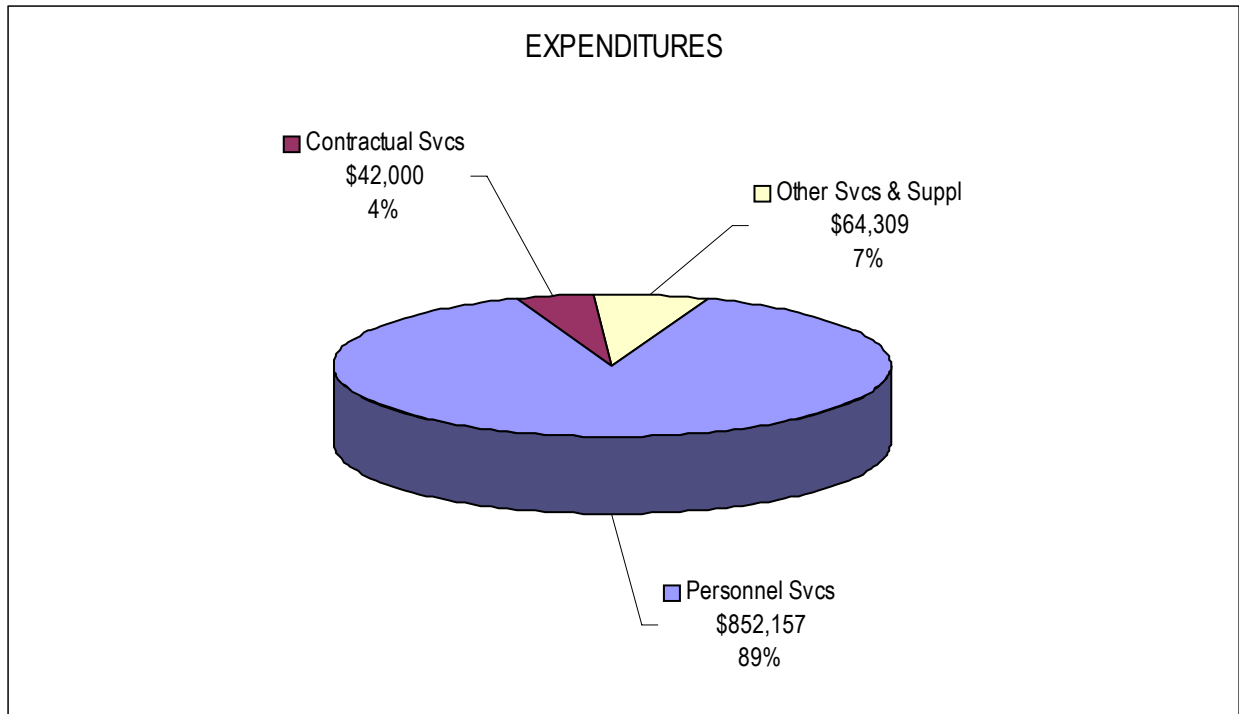
Personnel Allotment of 10 FTE

Position	FTE	Vacant	Funded	Position	FTE	Vacant	Funded
City Clerk	1			Document Proc Tech II	3		
Deputy City Clerk	1			Confidential Office Specialist	1		
Lead Doc Processing Tech	1	1	0	Printing Services Tech II	1		
Office Assistant II	2	1	0				

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations and prefunding of retiree medical benefits.
Services and Supplies	Reduced contractual services \$10,000 due to more printing in-house and no election in FY 07-08.
Capital Outlay	None.



	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
PERSONNEL SERVICES				
4111 Permanent Salaries	455,153	529,906	565,213	606,921
4112 Temporary Salaries	42,277	32,650	5,000	5,000
4113 Overtime	16,530	5,368	0	6,000
4124 Leave Cashout	31,701	6,850	0	0
4131 PERS	53,096	80,913	81,666	90,926
4132 Group Insurance	52,448	71,141	101,088	97,824
4133 Medicare	5,053	7,230	7,291	7,793
4135 Worker's Compensation	5,445	5,091	4,923	5,246
4138 Deferred Comp-Employer	5,125	5,910	6,300	2,700
4139 PARS	634	490	75	75
4161 Retiree Medical Reserve	0	0	0	29,672
sub-total	<u>667,462</u>	<u>745,549</u>	<u>771,556</u>	<u>852,157</u>
SERVICES AND SUPPLIES				
4211 Equip Replacement Amortization	2,700	15,489	16,350	6,834
4220 Supplies	34,061	26,207	30,000	30,000
4230 Services	56,276	67,119	75,000	67,000
4280 Elections	59,273	40,003	75,000	0
4410 Communications	6	67	100	100
4501 Memberships and Dues	443	576	775	875
4503 Training	876	927	1,320	1,500
sub-total	<u>153,634</u>	<u>150,389</u>	<u>198,545</u>	<u>106,309</u>
CAPITAL OUTLAY				
TOTAL	<u><u>821,096</u></u>	<u><u>895,938</u></u>	<u><u>970,101</u></u>	<u><u>958,466</u></u>

FUNCTION:	RDA & Econ Dev	RDA & ECON DEV MGR: Diana Whitecar
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Description: This function provides administration of the City's Economic Strategic Plan and oversight of the Redevelopment Agency. Economic Development is focused on improving the economic health of the City so that the revenue stream continues to grow.

Services

- Provides implementation of the Economic Strategy Action Plan.
- Provides liaison staffing to Economic Development Commission and Public Arts Committee.
- Represents Milpitas with Chamber of Commerce, Joint Venture Silicon Valley, North Valley Private Industry Council (NOVA), National Association of Industrial & Office Properties (NAIOP) and other regional economic development organizations.
- Provides City liaison services to Milpitas Chamber of Commerce and business community.
- Manages the City's Redevelopment Agency programs.
- Develops workshops and seminars to enhance business opportunities.
- Coordinates project fast-tracking with Development Services.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2006-2007 Accomplishments					
1. Approved Redevelopment Plan Merger Amendments.				x	x
2. Completed Development Agreement and Ground Lease with Santa Clara County for new medical center and parking garage.		x		x	x
3. Implemented "Welcome To Milpitas" promotional campaign with street banners and airport signage.		x			
4. Identified sites for new minor gateway signs.		x			
5. Sponsored local business counseling services with the Small Business Dev Ctr.	x				
6. Hosted 2 nd "Doing Business in Milpitas" workshop with over 100 attendees.	x				
7. Launched "SiliconValleyProspector.com" a regional commercial property database that includes Milpitas properties.	x			x	
8. Introduced a "Shop Local" program and initiated outreach to the residents.	x			x	
9. Hosted 1 st Hotel meeting with Chamber and City to create ways to work together to strengthen business.	x	x		x	
2007-2008 Goals					
1. Complete Midtown Precise Plan.		x		x	
2. Introduce Economic Development Web page connection from City's website.	x			x	
3. Install three minor gateway signs.	x	x			
4. Complete Branding Stakeholder recommendations.	x			x	
5. Continue to represent Milpitas in Silicon Valley Economic Development Alliance, Chamber of Commerce activities, NOVA and commercial broker community.	x				
6. Continue marketing and promotional activities consistent with the Economic Strategic Action Plan.	x	x		x	
7. Complete Parking Analysis and make recommendations to City Council.	x	x			
8. Create program for freeway signage and make recommendations to City Council for business participation.	x	x			
9. Implement Public Art Master Plan.		x			

Performance Measures	Actual 2004-05	Actual 2005-06	Projected 2006-07	Estimated 2007-08
Establish baseline Econ Dev Web hits.	N/A	N/A	Create base	50% increase
Customer Service Survey of Economic Development	N/A	N/A	90% rating	90% rating
Corporate Outreach Visits	N/A	N/A	8 to 12	8 to 12
Meet schedule for Midtown Precise Plan and public relations program	N/A	N/A	90% of schedule	90% of schedule
Meet schedule for installing local identifier sign	N/A	N/A	Installation date met	Installation date met
Hold brokers tour	N/A	N/A	Tour held	Tour held
Select Library Artist	N/A	N/A	N/A	Artist selected

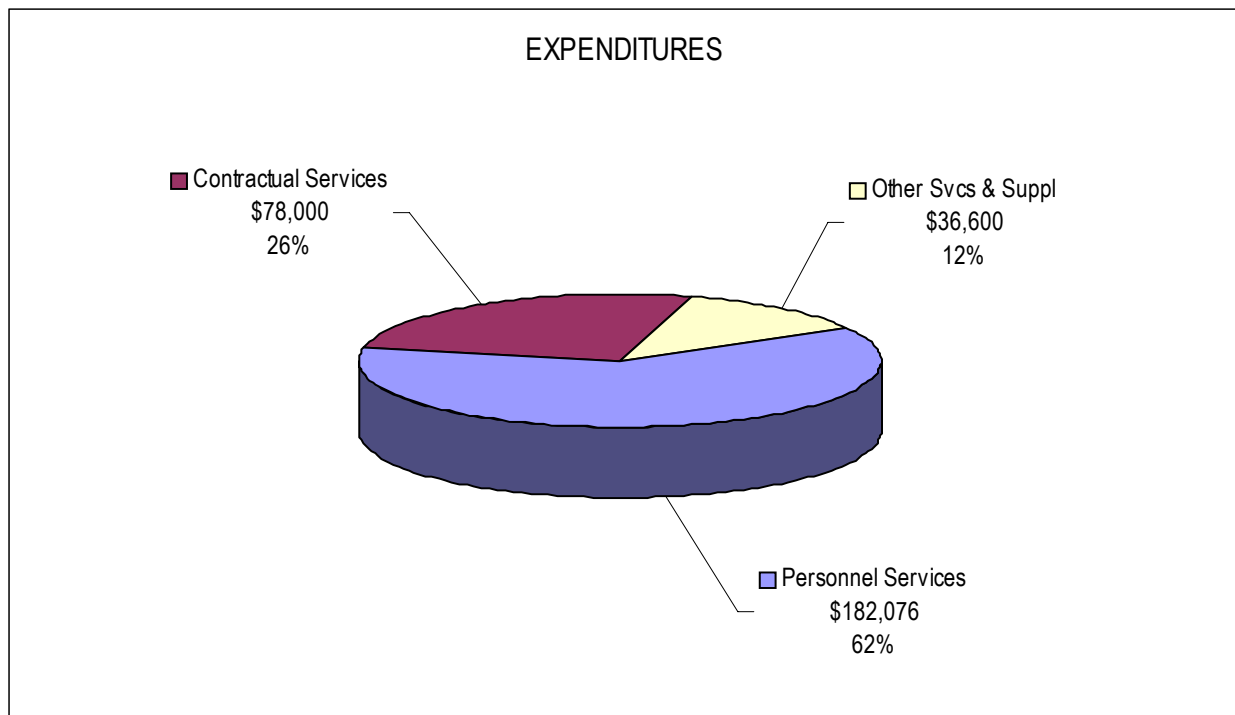
Personnel Allotment of 1 FTE

Position	FTE	Vacant	Funded			
RDA/ Economic Development Manager	1					

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to a projected salary and benefits adjustments and prefunding of retiree medical benefits.
Services and Supplies	No change.
Capital Outlay	None.



	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
PERSONNEL SERVICES				
4111 Permanent Salaries	0	94,952	129,527	139,222
4131 PERS	0	14,369	18,701	20,810
4132 Group Insurance	0	4,454	13,776	11,448
4133 Medicare	0	1,337	1,895	2,036
4135 Worker's Compensation	0	656	651	700
4138 Deferred Comp-Employer	0	0	900	900
4161 Retiree Medical Reserve	0	0	0	6,960
sub-total	0	115,768	165,450	182,076
SERVICES AND SUPPLIES				
4200 Community Promotions, Grants & Loans	2,225	628	15,110	15,110
4220 Supplies	217	64	0	0
4230 Services	90,477	71,657	78,000	78,000
4410 Communications	0	0	80	0
4501 Memberships and Dues	16,550	17,246	18,490	18,490
4503 Training	1,181	2,841	3,080	3,000
sub-total	110,649	92,436	114,760	114,600
CAPITAL OUTLAY				
TOTAL	<u>110,649</u>	<u>208,204</u>	<u>280,210</u>	<u>296,676</u>

DIVISION:	Building & Safety	CHIEF BLDG OFFICIAL: Keyvan Irannejad
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Description: The Building and Safety Division is responsible for implementation of safety and quality standards in construction achieved by enforcing California Building Codes, State, local and Federal regulations that pertain to physical development of the City. The Division's four functions include Inspection Services, Plan Checking, Building Administration and Permit Center

Services

- Reviews construction plans and documents to ensure building safety through compliance with technical codes, State and local regulations and acceptable engineering practices.
- Provides inspections to ensure building projects are constructed in accordance with approved plans and accordance with applicable local and State regulations.
- Assists customers in obtaining building permits and monitors plan submittal process from initial submittal to permit issuance.
- Processes plans, collects permit fees and maintains the building plans records.
- Provides permit submittal information to the public, responds to building code related questions and directs customers to proper City staff members.
- Provides residential and commercial handouts and pamphlets to explain how to obtain permits, design, construct buildings, additions, remodels and other nonbuilding structures.
- Meets with design professionals, homeowners and contractors to assist them in the timely issuance of building permits.
- Assists customers in the timely completion of projects by providing after hours and weekend inspections and plan reviews when requested.
- Assists homeowners with their building projects by meeting with them at lunchtime and in the late afternoons in addition to regular hours.
- Provides assistance to the Community Development Block Grant (CDBG) Housing Rehabilitation Program to enhance the quality of life for low-income families.
- Provides assistance and inspection to mobile home parks.
- Provides plan check services over the counter and by appointment, which provides plan review on submittal day; thereby reduces the standard plan check process by a minimum of two to three weeks.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2006-2007 Accomplishments					
1. Continued cross-training and training of staff to improve efficiency and consistency of permit process.	x		x	x	
2. Continue implementation of new permitting software and development of "On-Line" permit process allowing residents and commercial customers easier and faster access to permit information.	x			x	
3. Created handouts for residential and commercial customers to help them better understand submittal and construction requirements.	x				x
4. Compared our process with neighboring cities and improved our services to meet and exceed highest standards of other Building Departments.	x		x	x	
5. Organized "plan check by appointment" services for medium size projects.	x	x			
6. Participated in meetings with community members and industry organizations to help them better understand function of the Building and Safety.	x				x
2007-2008 Goals					
1. Continue to enhance Building Division and construction related information on the web site and develop informational handouts for the public.	x				x
2. Improve submittal requirements by consolidating requirements of all Departments in one document.	x				x
3. Continue to provide assistance to Fire Department and building owners for emergency incidents.	x				x
4. Continue and expand safety education programs, such as Building Safety Week, for the community.	x	x			x
5. Complete implementation of permitting software for permit processing and inspection, and "On-Line" permitting.	x			x	
6. Continue to provide plan checks and inspections outside business hours when requested by customers	x	x			x

Performance Measures	Actual 2004-05	Actual 2005-06	Projected 2006-07	Estimated 2007-08
New Construction Valuation (Millions)	\$122	\$230	\$170	\$170
Total Building Permits Issued/Avg. Permits Issued per Day	3,156/4	3,788/7	3,500/8	3,500/8
Total Plan Checks Performed/% Express Plan Checks Performed *	650/48	1,181/48	1,000/60	1,000/60
Number of Customers Served/Avg. Waiting Time in minutes	8,308/5	8,455/5	7,500/3	7,500/3
Daily Inspections per Inspector/Avg. Min. **	10/45	10/45	11/40	11/40
% Customer Survey rating Excellent/Good	90/10	91/9	95/5	95/5

NOTE: *Express projects performed over the counter/same day. **Inspections (building and misc.) Include inspection time, travel, paperwork, computer input and phone calls.

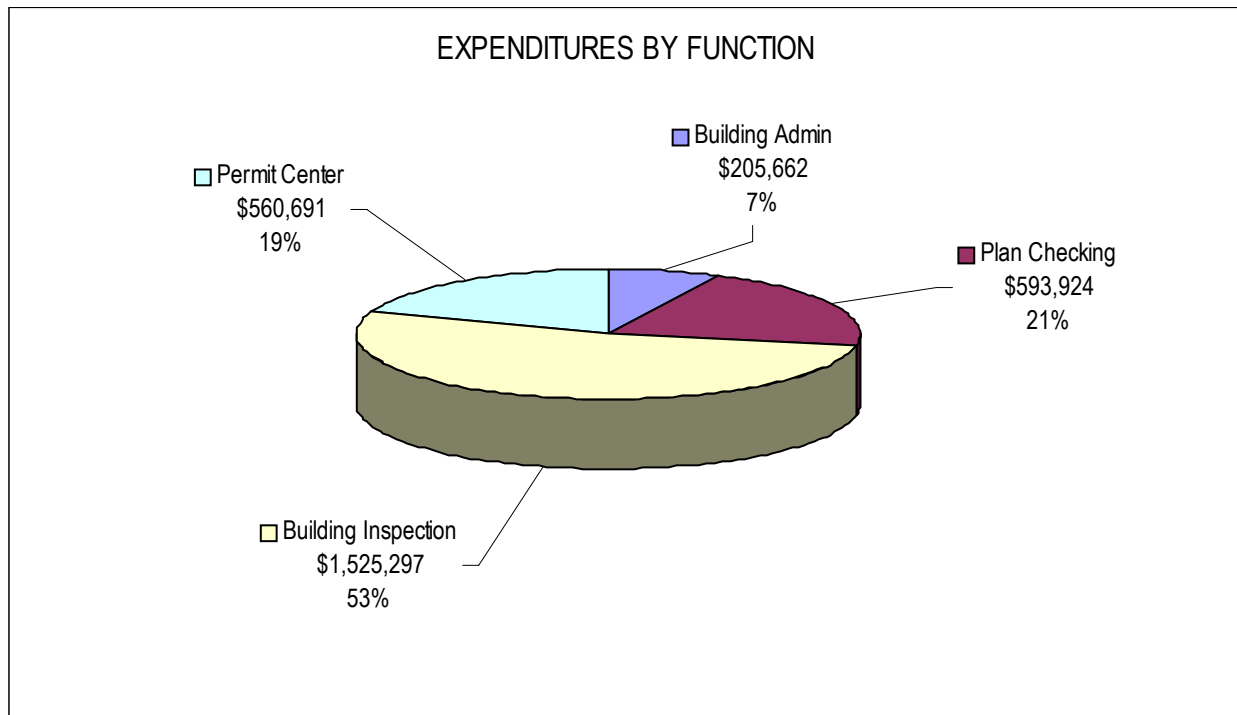
Personnel Allotment of 26 FTE

Position	FTE	Vacant	Funded	Position	FTE	Vacant	Funded
Chief Building Official	1			Sr Plan Check Engineer	1	1	0
Building/NP Inspector	7	2	0	Plan Check Engineer	4	1	0
Electrical Inspector	2	1	1	Building Permit Technician	3	2	1
Plan Checker	1			Office Asst II	1		
Sr Building Inspector	1			Office Specialist	1		
Permit Center Manager	1			Temporary Positions (FTE)	3		

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations and prefunding of retiree medical benefits.
Services and Supplies	18.79% increase due to State adoption of new regulations requiring training and purchasing of new code books.
Capital Outlay	None.



	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
PERSONNEL SERVICES				
4111 Permanent Salaries	1,507,473	1,497,084	1,674,972	1,777,687
4112 Temporary Salaries	27,114	145,902	92,454	254,372
4113 Overtime	17,924	27,056	26,000	45,000
4124 Leave Cashout	45,113	19,786	0	0
4131 PERS	179,108	252,112	255,176	303,896
4132 Group Insurance	171,956	195,780	228,897	249,795
4133 Medicare	20,059	20,952	22,838	27,876
4135 Worker's Compensation	43,275	38,742	38,763	47,388
4138 Deferred Comp-Employer	14,968	16,021	17,100	1,800
4161 Retiree Medical Reserve	0	0	0	88,675
sub-total	<u>2,026,990</u>	<u>2,213,435</u>	<u>2,356,200</u>	<u>2,796,489</u>
SERVICES AND SUPPLIES				
4211 Equip Replacement Amortization	16,371	24,682	24,540	32,080
4220 Supplies	13,708	16,820	22,925	24,025
4230 Services	11,648	13,784	15,250	15,250
4410 Communications	2,469	2,555	3,400	0
4501 Memberships and Dues	1,056	951	1,530	1,530
4503 Training	1,798	3,772	7,350	16,200
sub-total	<u>47,050</u>	<u>62,563</u>	<u>74,995</u>	<u>89,085</u>
CAPITAL OUTLAY				
4920 Machinery Tools & Equipment	1,348	0	0	0
sub-total	<u>1,348</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>2,075,388</u></u>	<u><u>2,275,998</u></u>	<u><u>2,431,195</u></u>	<u><u>2,885,574</u></u>

DEPARTMENT:	Information Services	IS DIRECTOR: Bill Marion
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Description: This department provides strategic automation planning, coordination of system procurement and implementation, management of technology projects to fulfill customer defined functional requirements, development and maintenance of the City's technical architecture and infrastructure, partnering with key product and service providers, ensuring customer satisfaction, providing automation support and training development, support of the City's web site, Cable TV channel and AM radio station and public-access TV studio, implementation and support of security access systems and all automated data systems. Additionally, Information Services is responsible for the City's public information function.

Services

- Strategic Planning – This service includes maintaining and updating the City's Telecommunications Strategic Plan in addition to providing the technology planning and support for each department to achieve their annual goals and objectives.
- Project Management – One of the key services provided by the Information Services Department includes project management for both large and small technology projects. These services range from the 5-year implementation of Public Safety improvements to the implementation of new systems and processes.
- Development and support of the technical architecture and infrastructure. This service includes the maintenance and support of the City's telephone systems, mobile phone and data services, metropolitan-area fiber optic network, paging, radio, video, remote communications and the wired and wireless computer networks.
- Development and support of the City's website, cable TV channel and AM radio system. This service serves City staff, City residents and visitors, both locally and foreign. One of fastest and easiest ways to evaluate a City as a potential site for starting a business is by visiting that city's website. Since first impressions are lasting impressions, this service provides an invaluable opportunity to advertise the benefits of doing business within the community.
- Implementation and operation of the City's Security access and control systems. It is essential to protect the City's assets, especially given the times we operate and live in. This service is used to enhance the safety of not only City staff and residents but also the City's public buildings.
- Management and support of the complex information systems. The City supports a data network of more than 65 servers, 500 computers, 80 laptops and 120 printers. It is critical to continuously maintain and upgrade these systems to ensure highest possible availability for all business users.
- Development and support of the City's Geographic Information System. The GIS system supports the work of virtually all departments within the City. From the 911 emergency computer-aided dispatch system to the notification of residents regarding pending zoning actions, the GIS system is used widely to support all of the City's business functions.
- Support of the Public Information function. This service includes acting as the City's liaison for information dissemination through the City's website, cable TV channel and AM radio station. It also includes the duties and responsibilities associated with performing the role of Public Information Officer during times of emergencies.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2005-2006 Accomplishments					
1. Completed new Public-Access TV Production Studio at City Hall.	x	x		x	x
2. Installed new high-performance radio voice/data links to 3 City sites.	x	x		x	
3. Completed Citywide installation of EarthLink WiFi network	x	x		x	x
4. Implemented Police Property and Evidence System.	x		x	x	x
5. Begun installation of new On-Line Permitting System.	x	x	x	x	
6. Upgraded Police Records Management System.	x		x	x	x
7. Completed replacement of City's radio infrastructure equipment.	x	x	x	x	x
2007-2008 Goals					
1. Begin on-going server consolidation and virtualization business model.	x	x	x	x	x
2. Implement Access Control and Security System at Police/Public Works.	x		x		x
3. Begin scheduled 8-year Equipment Replacement Project.	x	x	x	x	x
4. Complete installation of new On-Line Permitting System.	x	x	x	x	
5. Consolidate and standardize mobile phone, pager and PDA usage.	x	x	x	x	x

Performance Measures	Actual 2004-05	Actual 2005-06	Projected 2006-07	Estimated 2007-08
Network Availability	99%	99.5%	99%	99.95%
Help Desk response (minutes)	120	60	30	30
Server Availability	99%	99%	99%	99.5%
Website Availability	99%	99%	99%	99.5%

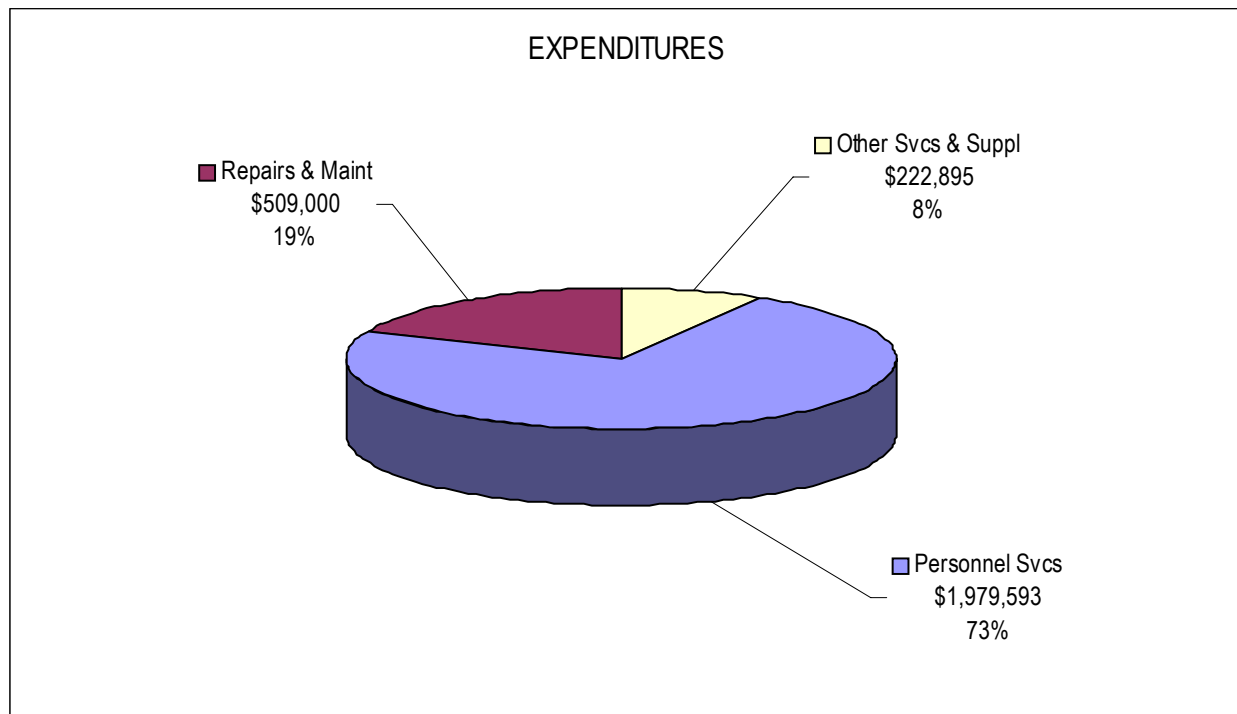
Personnel Allotment of 20.50 FTE

Position	FTE	Vacant	Funded	Position	FTE	Vacant	Funded
Asst Information Svcs Director	1	1	0	Systems Admin	5	2	0
Public Information Specialist	1			G I S Manager	1		
Information Services Director	1			Desktop Technician	5		
Telecom Manager	1			Office Asst I	1	1	0
Network Manager	1			Office Specialist	1		
Operations Manager	1						
Customer Service Manager	1						

Staff Change(s): Reduced 2.5 positions by elimination of half a temporary position, one resignation, and one retirement.

Expenditure Analysis

Personnel Services	Negotiated salary and benefits increases, a 38% reduction in CIP charge-backs, increased vacancy and the prefunding of retiree medical benefits have resulted in an overall 4.93% increase.
Services and Supplies	Software maintenance charges on Finance and Public Safety systems (over 80% of total repair and maintenance costs) have dramatically increased, resulting in a 23.45% increase in repair and maintenance. Consolidation of Citywide mobile phone services to the IS department results in the assumption of other departments' budget positions and a corresponding increase.
Capital Outlay	None.



	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
PERSONNEL SERVICES				
4111 Permanent Salaries	1,496,315	1,599,881	1,776,304	1,680,018
4112 Temporary Salaries	56,556	58,359	26,000	0
4113 Overtime	1,776	847	0	0
4124 Leave Cashout	4,515	6,119	0	0
4131 PERS	180,454	254,034	260,136	251,247
4132 Group Insurance	152,959	170,334	222,180	202,176
4133 Medicare	22,688	23,917	26,377	24,483
4135 Worker's Compensation	10,313	9,648	9,472	8,855
4138 Deferred Comp-Employer	15,973	15,881	16,200	9,000
4143 Charged to CIPs	2,399	0	(450,000)	(280,000)
4161 Retiree Medical Reserve	0	0	0	83,814
sub-total	<u>1,943,949</u>	<u>2,139,022</u>	<u>1,886,669</u>	<u>1,979,593</u>
SERVICES AND SUPPLIES				
4211 Equip Replacement Amortization	5,166	7,013	4,560	6,895
4220 Supplies	31,380	17,267	16,000	16,000
4230 Services	257,100	226,639	420,000	509,000
4410 Communications	119,058	115,080	110,800	192,000
4501 Memberships and Dues	875	1,075	0	300
4503 Training	4,415	2,736	0	7,700
sub-total	<u>417,993</u>	<u>369,810</u>	<u>551,360</u>	<u>731,895</u>
CAPITAL OUTLAY				
4920 Machinery Tools & Equipment	42,464	792	0	0
sub-total	<u>42,464</u>	<u>792</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>2,404,407</u></u>	<u><u>2,509,623</u></u>	<u><u>2,438,029</u></u>	<u><u>2,711,488</u></u>

DEPARTMENT:	Human Resources	HR DIRECTOR: Carmen Valdez
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Description: This department is a centralized full-service department that provides Citywide services including: recruitment, benefits administration, a self funded workers' compensation program, labor negotiations, administration of memorandum of understanding with the various employee groups, employee relations, the safety program, compliance with State and Federal employment laws, training and maintenance of personnel systems and files.

Services

- **Recruitment** - The Human Resources (HR) Department is committed to finding top-quality candidates in a timely manner. The Department takes an aggressive approach in identifying and recruiting the most qualified candidates for all positions.
- **Benefit Administration** - The HR Department provides benefit administration services to approximately 440 active employees with an excellent benefit package that includes medical coverage through CalPERS. Additional benefits include Dental, Vision, Life Insurance, Long Term Disability, Short Term Disability, Deferred Compensation and the Employee Assistance Program (EAP).
- **Workers' Compensation** - The City is self-insured for workers' compensation and recently successfully transitioned to a new Third Party Administrator, SCRMA. Staff works closely with SCRMA to ensure that all injured employees are receiving the proper care for their work related injuries.
- **Labor Relations** - The HR Department negotiates on behalf of the City and oversees six separate bargaining units by administering, implementing and interpreting labor contracts and assisting in the resolution of grievances.
- **Employee Relations and Customer Service** - The HR Department treats all employees and residents with dignity and respect. One of the Department's goals is to maintain productive and positive employer-employee relationships while ensuring the highest level of service to those we serve.
- **Training** - The HR Department conducts all state mandated training, employee safety

training, benefits training, Department of Transportation training and ergonomics trainings.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2006-2007 Accomplishments					
1. Developed & distributed a Total Compensation Report for employees as a means of providing additional ongoing salary and benefit information to staff.	x		x		
2. Obtained lower costs for the current dental program with no reduction in the services being provided to staff.	x		x	x	
3. Successfully completed the labor negotiations for all bargaining units that have an MOU that expires during the Fiscal Year.				x	
4. Successfully implemented and trained all employees on the Injury & Illness Prevention Program (IIPP).	x	x	x	x	x
5. Successfully implemented a Medical Provider Network for Worker's Compensation.	x		x		
6. Continue to work with staff and the City's Third Party Administrator in reducing the number of active employee Workers' Compensation claims.	x	x	x	x	x
7. Obtained lower costs for the Employee Assistance Program with no reduction in the services being provided to staff.	x		x	x	
2007-2008 Goals					
1. Develop and implement along with the support of the Information Services Department an online Benefit Information Program.	x		x		
2. Develop and implement an expanded new employee orientation program that includes an inventory checklist for equipment, keys, supplies, etc that are issued to new employees.	x		x	x	
3. Continue to update Job Descriptions for ADA Compliance and division specific addendums.	x		x	x	
4. Provide more Citywide training.	x	x	x	x	x
5. Develop Worker's Compensation Procedures and Guidelines including a Modified Duty Program.	x	x	x	x	

Performance Measures	Actual 2004-05	Actual 2005-06	Projected 2006-07	Estimated 2007-08
Number of days to post job announcements after receiving an approved requisition	N/A	10	10	10
Number of employees returned to full duty after a Workers' Compensation injury	43	13	8	10
Percentage of error free Personnel Action Forms processed	98%	98%	99%	99%
Percentage of error free Benefit Change forms processed within 10 days of receipt	N/A	100%	100%	100%
Percentage of error free Address Change requests processed within 24 hours of receipt	100%	100%	100%	100%

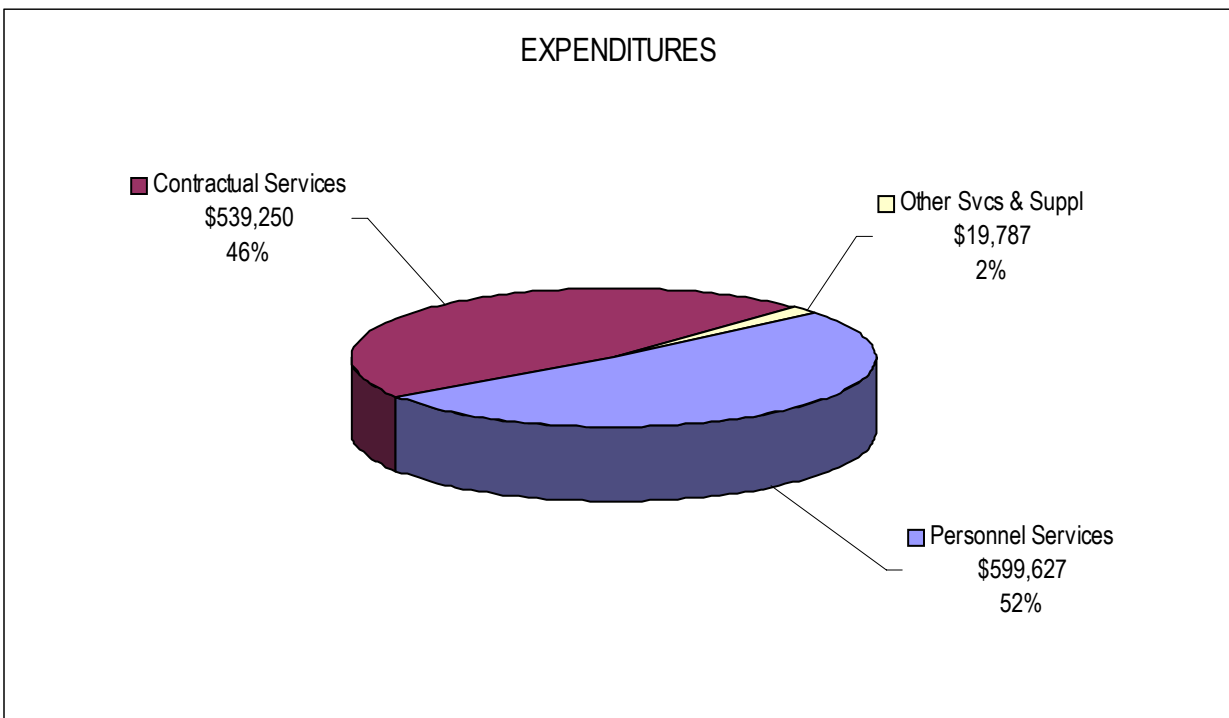
Personnel Allotment of 7 FTE

Position	FTE	Vacant	Funded	Position	FTE	Vacant	Funded
Human Resources Director	1			Human Resources Tech	2		
Admin Analyst I/II	3	2	1	Confidential Office Assist II	1		

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations and prefunding of retiree medical benefits.
Services and Supplies	No Change.
Capital Outlay	None.



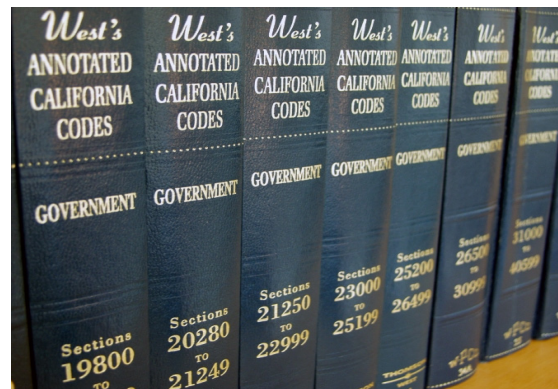
	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
PERSONNEL SERVICES				
4111 Permanent Salaries	465,649	335,038	503,104	435,280
4112 Temporary Salaries	116	600	0	0
4113 Overtime	686	275	0	0
4124 Leave Cashout	16,760	4,797	0	0
4131 PERS	54,316	51,390	72,704	65,126
4132 Group Insurance	47,532	40,521	75,516	64,632
4133 Medicare	7,007	4,899	7,368	6,375
4135 Worker's Compensation	2,785	1,782	2,452	2,153
4138 Deferred Comp-Employer	5,158	3,929	5,400	4,500
4139 PARS	2	9	0	0
4161 Retiree Medical Reserve	0	0	0	21,561
sub-total	<u>600,009</u>	<u>443,240</u>	<u>666,544</u>	<u>599,627</u>
SERVICES AND SUPPLIES				
4200 Community Promotions, Grants & Loans	7,589	5,181	3,000	3,000
4220 Supplies	2,999	3,598	3,900	2,000
4230 Services	546,980	463,747	545,850	545,250
4410 Communications	67	79	75	75
4501 Memberships and Dues	1,223	1,652	2,212	2,212
4503 Training	5,575	3,568	5,500	6,500
sub-total	<u>564,432</u>	<u>477,826</u>	<u>560,537</u>	<u>559,037</u>
CAPITAL OUTLAY				
TOTAL	<u><u>1,164,442</u></u>	<u><u>921,066</u></u>	<u><u>1,227,081</u></u>	<u><u>1,158,664</u></u>

DEPARTMENT: City Attorney

Description: This department provides general legal advice and services to the City Council, Redevelopment Agency Board, City Commissions, City Manager and City departments through contract outside counsel, Meyers, Nave, Riback, Silver & Wilson. The City Attorney's department prepares or approves as to form all proposed ordinances, resolutions, agreements and amendments thereto. This department also negotiates and drafts the Memorandums of Understanding with the various employee labor groups. This department represents the City in litigation.

Services

- General Legal Advice
- Employee Labor Group Negotiations
- Litigation
- Employee Training
- Compliance advice related to current and forthcoming Federal and State regulations
- Redevelopment Agency Counsel and Legal Services
- Labor arbitrations and grievances



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2006-2007 Accomplishments					
1. Conducted and concluded concurrent negotiations and drafted MOUs with public safety labor groups – MPOA and IAFF.			x		x
2. Obtained favorable judgment in litigation related to North San Jose EIR and successfully resolved City Hall litigation.	x	x		x	x
3. Provided senior department heads, Planning Commission and City Council AB 1234 ethics training.	x		x	x	
4. Assisted staff with major real estate transactions, including McCarthy land exchange, Winsor property settlement for new Main Library, transfer of De Vries property and merger of Redevelopment Projects Areas.	x	x		x	
5. Assisted staff with contractor pre-qualification procedure, bidding and letting of contract for construction of new Main Library.	x	x		x	
2007-2008 Goals					
1. Continue to provide City Council and staff with efficient legal advice and services.	x	x		x	
2. Continue to seek out and implement cost recovery matters, while assisting the City and staff in their efforts to maintain a balanced budget.	x			x	
3. Continue to devote expertise, time and creative solutions to assist City in attracting and keeping businesses in City, especially through redevelopment activities.		x		x	
4. Recommend measures to reduce City's legal risk, especially in regulatory compliance matters.		x	x	x	

Performance Measures	Actual 2004-05	Actual 2005-06	Projected 2006-07	Estimated 2007-08
Property acquisition/leasehold assistance (properties)	5	5	5	7
Labor negotiations completed	2	1	1	2
Number of ordinances assisted with, prepared or reviewed	15	7	9	12
Training sessions on Open Government Ordinance and/or other ethics subjects provided to Commissioners, Boardmembers and staff	65	20	30*	12**

Note: *Includes Commissions that received the video training prepared by the City Attorney's Office. **Anticipated that only the City Council and Planning Commission will receive a live training on the Open Government Ordinance this year.

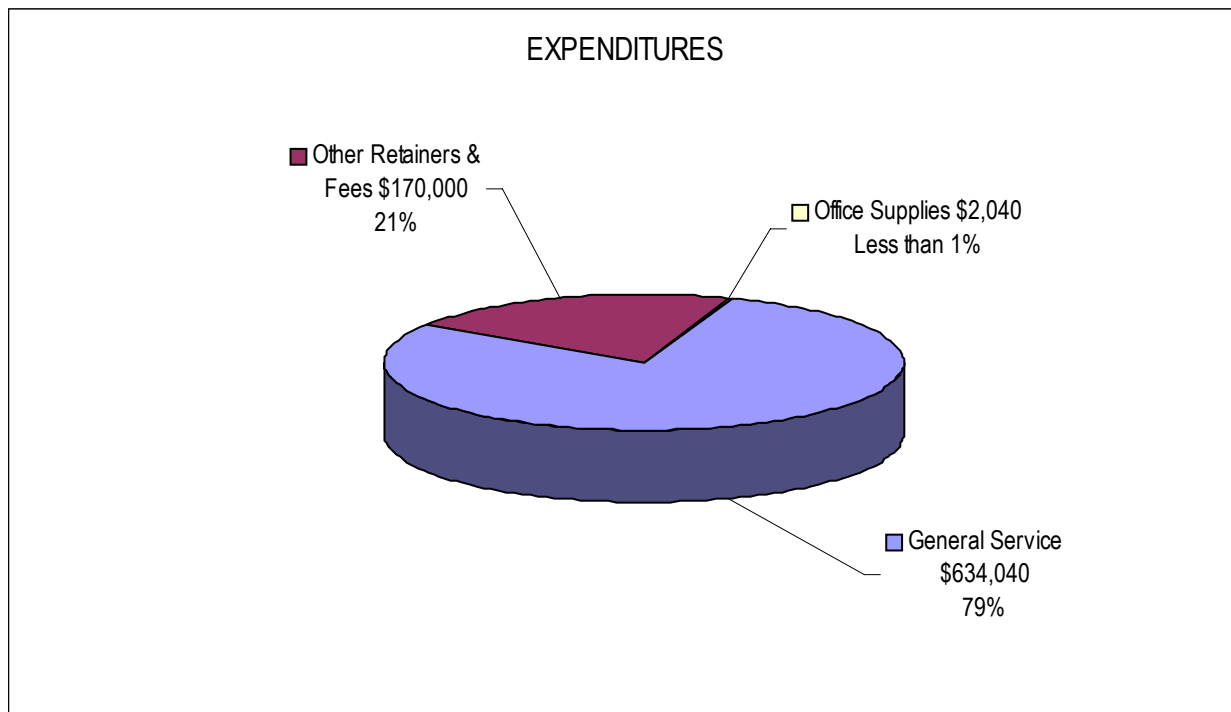
Personnel Allotment

Position					
Legal services are provided by contract with Meyers Nave.					

Staff Change(s): Not applicable.

Expenditure Analysis

Personnel Services	Not applicable.
Services and Supplies	2.5% increase due to scheduled contract amendments.
Capital Outlay	None.



	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
PERSONNEL SERVICES				
SERVICES AND SUPPLIES				
4220 Supplies	1,982	1,178	2,040	2,040
4230 Services	1,499,819	1,351,384	786,420	804,040
sub-total	<u>1,501,801</u>	<u>1,352,562</u>	<u>788,460</u>	<u>806,080</u>
CAPITAL OUTLAY				
TOTAL	<u><u>1,501,801</u></u>	<u><u>1,352,562</u></u>	<u><u>788,460</u></u>	<u><u>806,080</u></u>

DEPARTMENT: Finance**FINANCE DIRECTOR:** Emma Karlen

Description: This department provides management of the City's financial operations in accordance with established fiscal policies. The department is organized in four divisions, Administration, Accounting Services, Fiscal Services and Purchasing; each provides essential customer services and internal support to other departments.

Services

- Acts as an advisor to the City Manager, City Council and Departments in the areas of financial planning and fiscal analysis. Provides leadership in the development and implementation of sound financial policies for the City.
- Coordinates the preparation of the Annual Operating Budget that includes projection of revenues and expenditures, organizing and publication of the adopted budget document.
- Invests the City's idle cash to ensure that there is sufficient cash flow to meet operating needs while maintaining safety, liquidity and competitive returns on the investment portfolio.
- Manages the City's and Agency's outstanding bonds by ensuring timely payments, performance of arbitrage calculations and filing of required continual disclosure reports.
- Manages all the tort claims against the City and represents the City in the Association of Bay Area Government Pooled Liability Assurance Network (ABAG PLAN).
- Prepares and maintains accurate financial records including grants, capital projects, enterprise funds, governmental funds, and fixed assets. Files required grant reports.
- Prepares the Annual Financial Report in accordance with Generally Accepted Accounting Principles and pronouncements of the Governmental Accounting Standards Board.
- Processes all the payments for goods and services timely and accurately.
- Issues payroll checks and benefits payments bi-weekly. Files all the required Federal and State payroll tax withholding reports.
- Monitors all the capital projects that have external funding sources to ensure collection.
- Collects and records all City revenues including utility payments, business licenses, franchise fees, transient occupancy taxes, private job accounts and miscellaneous invoicing.
- Provides customer service to the City's utility customers, including billing, new account set-ups, inquiries and meter readings.
- Provides a full range of procurement services to purchase goods and services at competitive prices and to ensure compliance with Federal and State laws and City ordinances.
- Maintains a central warehouse and inventories and oversees the sale of the City surplus property.
- Provides internal mail service by delivering and distributing mails from the Post Office.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2006-2007 Accomplishments					
1. Prepared and updated a Citywide Cost Allocation Study.	x			x	
2. Resolved tort claims within 180 days from the date of claim.	x			x	
3. Received awards for "Distinguished Budget Presentation", " Excellence in Financial Reporting" and "Procurement".				x	
4. Processed invoices for payment and purchase requisition within 5 working days from the date of department's/Council's approval.	x			x	
5. Provided accurate and timely reports to assist departments in monitoring their budget within 15 days from month-end.	x			x	
6. Provided 99.9% accuracy on initial meter reads.	x			x	
7. Developed procedures to improve collectability of delinquent receivable accounts.	x			x	
8. Introduced Cal-card program and developed training program for Cal-card usage.	x			x	
2007-2008 Goals					
1. Update Business License Ordinance.				x	
2. Resolve tort claims within 180 days from the date of claim.	x			x	
3. Receive awards for "Distinguished Budget Presentation", " Excellence in Financial Reporting" and "Procurement".				x	
4. Process invoices for payment and purchase requisition within 5 working days from the date of department's/Council's approval.	x			x	
5. Provide accurate and timely reports to assist departments in monitoring their budget within 15 days from month-end.	x			x	
6. Provide 99.9% accuracy on initial meter reads.	x			x	
7. Consolidate City store cards with the Cal-card program.	x			x	
8. Establish irrevocable trust fund to start pre-funding retiree medical benefits.			x	x	

Performance Measures	Actual 2004-05	Actual 2005-06	Projected 2006-07	Estimated 2007-08
Receive awards for Budget and Financial Report	Yes	Yes	Yes	Yes
Percent of tort claims resolved within 180 days	98%	89%	89%	90%
Average turn around time of account payable invoices (no. of days)	5	5	5	5
Average turn around time of purchase requisitions (no. of days)	N/A	7*	6	5
Percent of accurate meter reads	99.9%	99.9%	99.9%	99.9%

*Began tracking

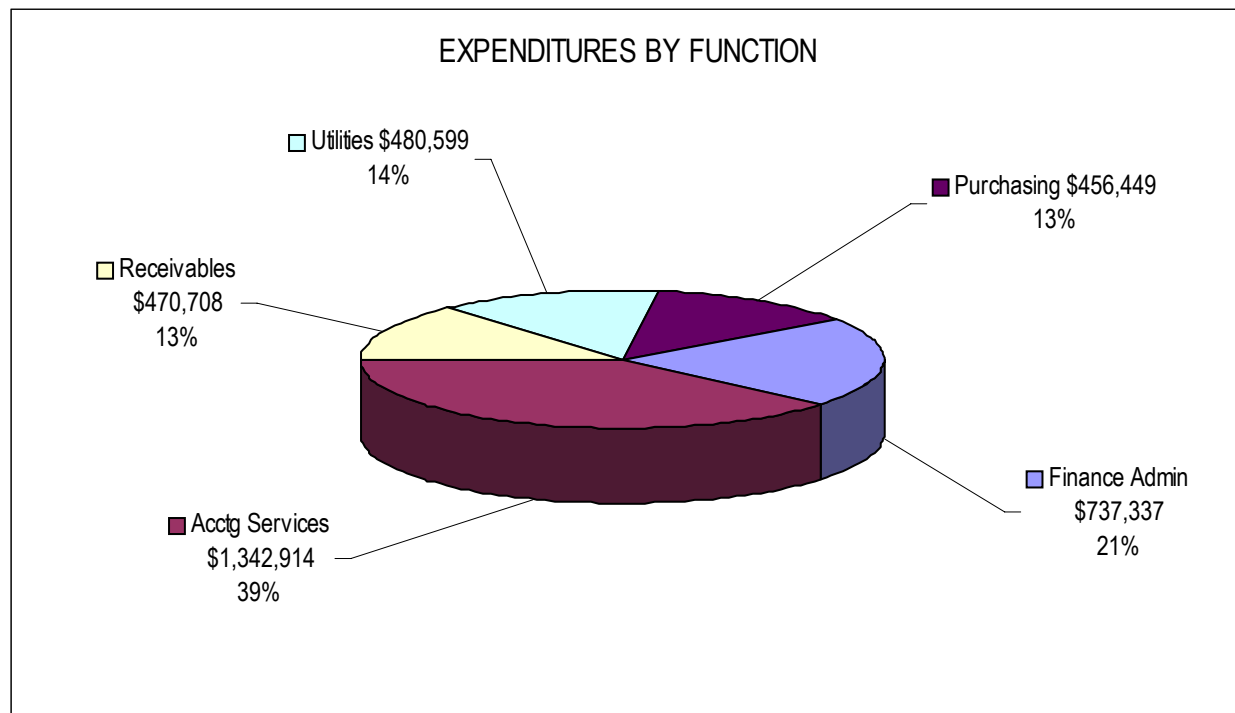
Personnel Allotment of 34.75 FTE

Position	FTE	Vacant	Funded	Position	FTE	Vacant	Funded
Director of Financial Services	1			Fiscal Services Manager	1	1	0
Purchasing Agent	1			Accounting Technician	1		
Assistant Finance Director	1	1	0	Fiscal Asst I/II	13	3	0
Accounting Services Manager	1			Senior Fiscal Assistant	1		
Accountant	3	1	1	Office Specialist	1		
Admin Analyst I	2	1	0	Water Meter Reader II	2		
Admin Analyst II	1			Water Meter Reader Supervisor	1		
Buyer	1			Maintenance Worker II-40	1		
Senior Accountant	2			Temporary Positions (FTE)	.75		

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations and prefunding of retiree medical benefits.
Services and Supplies	Increase due to increases in postage, credit card processing charges, and utility billing system maintenance.
Capital Outlay	None.



	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
PERSONNEL SERVICES				
4111 Permanent Salaries	2,061,397	2,012,076	2,142,588	2,273,686
4112 Temporary Salaries	203,822	133,441	110,216	16,000
4113 Overtime	19,393	10,390	23,500	23,500
4121 Allowances	6,505	7,280	6,480	1,080
4124 Leave Cashout	101,930	14,266	0	0
4131 PERS	256,224	326,873	323,140	340,396
4132 Group Insurance	262,208	282,843	345,384	354,444
4133 Medicare	32,151	30,099	32,015	32,285
4135 Worker's Compensation	22,930	20,854	20,158	20,832
4138 Deferred Comp-Employer	21,486	20,002	21,600	8,100
4139 PARS	1,107	213	240	240
4143 Charged to CIPs	0	0	(84,100)	(72,600)
4161 Retiree Medical Reserve	0	0	0	112,690
sub-total	<u>2,989,153</u>	<u>2,858,336</u>	<u>2,941,221</u>	<u>3,110,653</u>
SERVICES AND SUPPLIES				
4211 Equip Replacement Amortization	16,345	20,471	18,240	21,121
4220 Supplies	147,955	109,326	140,760	147,760
4230 Services	247,912	169,534	192,615	194,168
4410 Communications	391	352	550	0
4501 Memberships and Dues	1,751	1,996	2,960	3,130
4503 Training	5,276	4,778	10,700	11,175
sub-total	<u>419,630</u>	<u>306,458</u>	<u>365,825</u>	<u>377,354</u>
CAPITAL OUTLAY				
4920 Machinery Tools & Equipment	0	832	0	0
sub-total	<u>0</u>	<u>832</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>3,408,783</u></u>	<u><u>3,165,626</u></u>	<u><u>3,307,046</u></u>	<u><u>3,488,007</u></u>

DEPARTMENT:	Public Works	PUBLIC WORKS DIRECTOR: Greg Armendariz.
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Description: This department provides maintenance of City infrastructure, vehicles, equipment, City buildings and facilities. The department's six functions include: Public Works Administration, Street Maintenance, Utility Maintenance, Trees and Landscaping, Fleet Maintenance and Facilities Maintenance.

Services

- Provides management, direction and coordination for maintenance and operation of City infrastructure and equipment.
- Participates in the development and administration of Capital Improvement Projects.
- Investigates customer service requests within 30 minutes of receipt providing a high level of customer service (approximately 3,300 per year).
- Provides street sweeping and sidewalk cleaning services and repairs, as well as immediate graffiti removal. Provides safe, effective and efficient traffic flow by maintaining the City's traffic signal coordination system, traffic signs, paved roadways, and pavement and curb markings, in accordance with the Clean and Safe Street Program.
- Provides routine and emergency operation, maintenance, and repair of utilities (water, sewer, and storm systems and facilities.) Provides high level of maintenance to ensure uninterrupted water and sewer service for residents and the prevention of flooding during storms.
- Provides weed control and litter pick-up on public landscaped areas. Monitors a weed and insect control program that utilizes early detection and treatment, and the use of cultural and mechanical means to reduce pesticide applications.
- Provides maintenance and long-term sustainability for city streetscapes of 12,875 trees and 103 acres of public landscaping. Services include city tree installation and pruning, and the maintenance and care of the city's landscaped medians and trails.
- Maintains and repairs equipment and 635 city-owned vehicles including Police vehicles, Fire apparatus and 176 communication radios. Provides proactive and preventative maintenance and repairs programs while maintaining regulatory compliance.
- Provides maintenance of city buildings and grounds, including all building systems (plumbing, air ventilation, electrical and backup systems.) Performs repairs, preventative maintenance, remodel project management and administration of janitorial contract. Also provides room set-ups for meetings and rental groups.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2006-2007 Accomplishments					
1. Investigated 3,300 customer service requests within 30 minutes of receipt.	x	x		x	x
2. Handled all street light repairs within 24 hours.	x	x			x
3. Implemented city's Clean & Safe Street Program.	x	x			x
4. Performed 1,000 utilities underground locates.	x			x	x
5. Responded immediately to all roadway hazards and graffiti abatement service requests.	x	x		x	x
2007-2008 Goals					
1. Continue to respond to urgent customer service requests within 45 minutes of receipt.	x	x		x	x
2. Respond to pothole problems within 24 hours.	x	x		x	x
3. Continue to provide immediate response for roadway hazards and graffiti abatement service requests.	x	x		x	x
4. Continue to provide high-level maintenance to protect the city's facilities, parks and infrastructure.	x	x		x	x
5. Continue to provide safety and job related training to employees.			x	x	

Performance Measures	Actual 2004-05	Actual 2005-06	Projected 2006-07	Estimated 2007-08
Customer service requests processed	3,506	3,326	3,300	3,300
Number of set-ups for classes & meetings	2,172	2,200	2,900	3,500
City street & sidewalk miles maintained	138	139	139	139
Buildings maintained (square feet)	344,000	350,000	350,000	350,000
Traffic signals/signs maintained	68/1,600	68/1,600	68/1,600	68/1,600
Clean sewer lines (feet)	358,610	500,000	500,000	500,000
Water meters serviced	422	425	600	600
Catch basins cleaned	3,043	3,000	3,000	3,000
Year end street tree inventory	12,500	12,776	13,326	13,700
Street landscaped acres maintained	103	103	108	109
Completed vehicle repairs	2,183	2,095	2,200	2,200
Average vehicle downtime (hours)	3	2	3	3
Respond to urgent customer service requests within 45 minutes of receipt (percent of time)	100%	100%	100%	100%

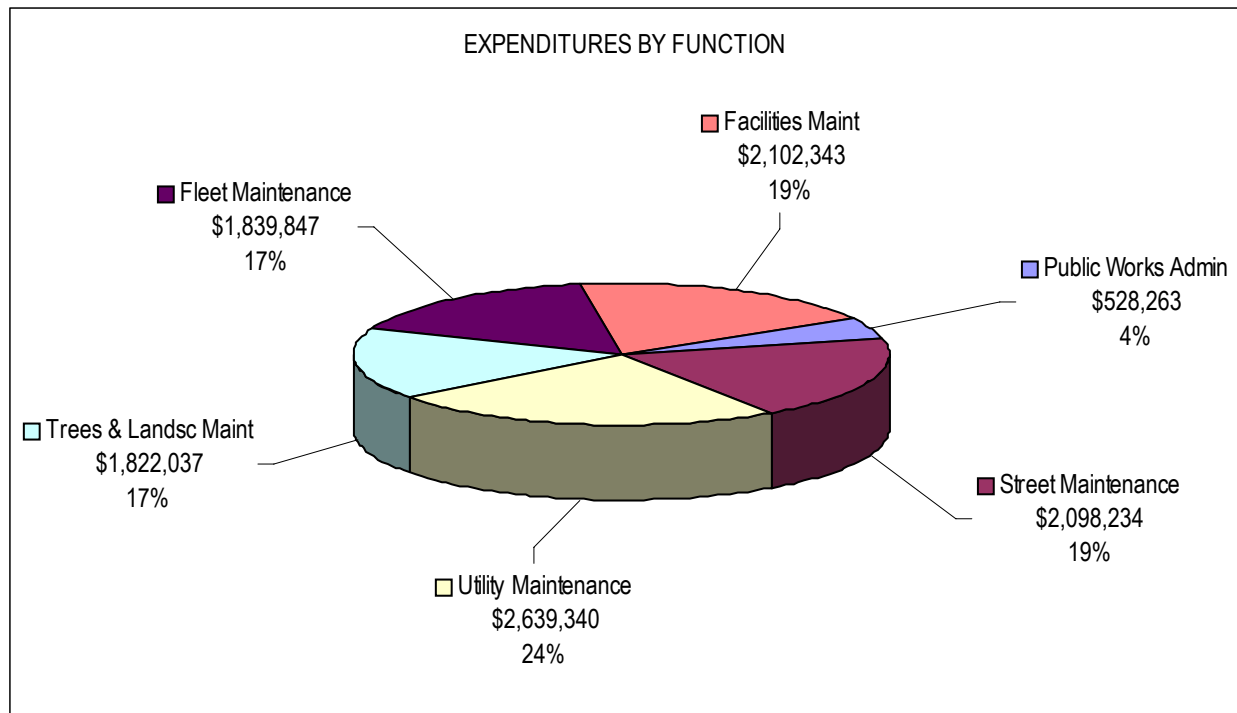
Personnel Allotment of 79.25 FTE

Position	FTE	Vacant	Funded	Position	FTE	Vacant	Funded
Public Works Director	1			Water System Operator	1		
Assoc Civil Engineer	1	1	0	Asst Water System Operator	1		
Community Svcs Proj Mgr	1	1	0	Maintenance Custodian I	1		
Office Specialist	2	2	0	Maintenance Custodian II	3		
Office Assistant II	1	1	1	Maintenance Custodian III	1	1	0
Secretary	1			Maint Custodian I-40 Hr	1		
Equipment Maint Worker II	2			Maint Custodian II-40 Hr	2	1	0
Equipment Maint Worker III	5			Maintenance Supervisor-40	1		
Senior Maint Supervisor	3	1	1	Maintenance Worker I-37.5	2		
Fleet Maint Supervisor	1			Maintenance Worker II-37.5	25	2	0
Fleet Maint Worker II	3			Maintenance Worker III	13	3	0
Fleet Maint Worker III	2	1	0	Temporary Positions (FTE)	3.25		
Fleet Maintenance Asst -37.5	1						

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations and prefunding of retiree medical benefits.
Services and Supplies	Decrease of 5.22% is mostly due to reductions in Maintenance Supplies, Contractual Services, and Repair & Maintenance throughout the department.
Capital Outlay	\$58,690 to replace two trucks. \$53,650 from the Equipment Replacement Fund and the balance from General Fund.



	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
PERSONNEL SERVICES				
4111 Permanent Salaries	4,169,727	4,361,295	4,502,374	4,896,856
4112 Temporary Salaries	270,920	174,546	216,767	128,666
4113 Overtime	75,499	81,229	118,258	118,258
4121 Allowances	82,604	75,993	111,820	111,820
4124 Leave Cashout	52,996	119,907	0	0
4131 PERS	512,557	690,070	666,788	736,271
4132 Group Insurance	641,211	717,571	844,320	913,512
4133 Medicare	58,767	59,135	61,391	64,965
4135 Worker's Compensation	195,859	183,642	167,053	181,381
4138 Deferred Comp-Employer	6,827	6,951	8,100	6,300
4139 PARS	699	468	1,016	1,930
4141 Adjustments-Payroll	604	0	0	0
4143 Charged to CIPs	0	0	(25,000)	(22,000)
4161 Retiree Medical Reserve	0	0	0	236,546
sub-total	<u>6,068,270</u>	<u>6,470,806</u>	<u>6,672,887</u>	<u>7,374,505</u>
SERVICES AND SUPPLIES				
4211 Equip Replacement Amortization	499,662	634,562	713,450	729,744
4220 Supplies	1,230,465	1,272,342	1,314,190	1,282,560
4230 Services	1,037,316	1,043,035	1,614,570	1,455,765
4410 Communications	11,008	10,384	24,760	4,250
4420 Utilities	35,784	20,492	38,200	38,200
4501 Memberships and Dues	1,970	3,200	5,355	5,355
4503 Training	6,589	35,456	19,845	19,845
sub-total	<u>2,822,795</u>	<u>3,019,472</u>	<u>3,730,370</u>	<u>3,535,719</u>
CAPITAL OUTLAY				
4850 Vehicles	0	125,570	0	5,040
4870 Machinery & Equipment	31,850	7,085	0	0
4910 Office Furniture & Fixtures	0	0	10,000	0
4920 Machinery Tools & Equipment	3,067	1,059	10,163	4,800
4930 Hydrants & Meters	(2,188)	51,034	110,000	110,000
sub-total	<u>32,730</u>	<u>184,748</u>	<u>130,163</u>	<u>119,840</u>
TOTAL	<u><u>8,923,795</u></u>	<u><u>9,675,027</u></u>	<u><u>10,533,420</u></u>	<u><u>11,030,064</u></u>

DIVISION:	Engineering	PUBLIC WORKS DIRECTOR: Greg Armendariz
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Description: This division provides professional management and review of new facilities, both private and public, which may impact the public right-of-way or the public's use and enjoyment of municipal facilities or services. The division's functions include: Special (RDA) Projects, Design & Construction, Land Development, Traffic, Utilities and Solid Waste Services.

Services

- Provides direction and coordination for the division, including allocation of resources, assignments, and staff development.
- Plans and implements the Capital Improvement Program, including design and construction engineering, project management, and construction inspection of the City's street, water, sewer, storm drain, parks, and community projects.
- Provides engineering support on regional programs such as BART and highway projects.
- Reviews and approves all subdivision maps and developer public improvement plans.
- Issues encroachment permits for construction work within the City's public right-of-way.
- Administers the National Flood Insurance Program and several special districts.
- Maintains utility maps for water, sewer, recycled water, and storm drain facilities and all City drawings, deeds, maps, assessment district diagrams, aerial photos, and utility drawings.
- Performs quality control and maintenance of digital maps for use by the City for Geographical Information Systems.
- Plans and implements Midtown major capital projects, including: the new Milpitas Public Library, and Parking Garage, North Main Street Utilities and Streetscape.
- Provides for the operation and maintenance of the City's existing transportation facilities and provides planning support for the future development of the City's transportation network by local, development, and regional traffic demands.
- Insures regulatory and contractual compliance for water, urban runoff control, wastewater, and recycled water programs. Provides updates on Sewer, Water and Storm Drainage Master Plans.
- Manages solid waste collection, recycling services, and household hazardous waste disposal contracts. Coordinates programs to achieve and maintain at least 50% state-mandated waste disposal reduction services.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2006-2007 Accomplishments					
1. Acquired 1 million gallons per day of additional wastewater treatment capacity from West Valley Sanitation District.	x	x		x	x
2. Completed 12 Construction Contracts worth \$8.0 Million.	x	x		x	x
3. Completed the review and approval of major land development projects including, Piercey Toyota, Town Center renovation and KB Homes.	x	x		x	x
4. Began Construction of the Midtown Parking Garage and New Milpitas Library.	x	x		x	x
5. Received several grants including a \$1.5M grant from VTA for the N. Main Streetscape Project.	x	x		x	x
6. Converted to "Single Stream" Recycling service for Residential Customers.	x	x		x	x
2007-2008 Goals					
1. Continue acquisition of additional wastewater treatment and pumping capacity.	x	x		x	x
2. Continue to meet deadlines for development projects and provide quality service to our customers.	x	x		x	
3. Continue to pursue grant-funding opportunities to implement the City's CIP Program.	x	x			x
4. Complete construction of Midtown East Parking Garage.	x	x		x	x
5. Complete N. Main Streetscape Phase 1.	x	x		x	x
6. Complete 10 other Capital Improvement Projects.	x	x		x	x

Performance Measures	Actual 2004-05	Actual 2005-06	Projected 2006-07	Estimated 2007-08
Contracts Awarded/Value	17/\$5M	24/\$5M	18/\$8M	15/\$10M
Achieve commercial recycling rate of solid waste (goal: 18%)	17%	21%	19%	20%
Achieve solid waste diversion rate (goal: 50% minimum)	54%	56%	56%	56%
Review first submittals of private development plans within 20 working days	N/A	72% of time	80% of time	90% of time
Development projects reviewed	N/A	293	190	250
Responded to flood zone and other inquiries	N/A	310	200	200
Engineering & Traffic Surveys	N/A	20	28	12
Grants Submitted	N/A	3	5	5
Projects Completed (Initial Acceptances)	13	17	14	12

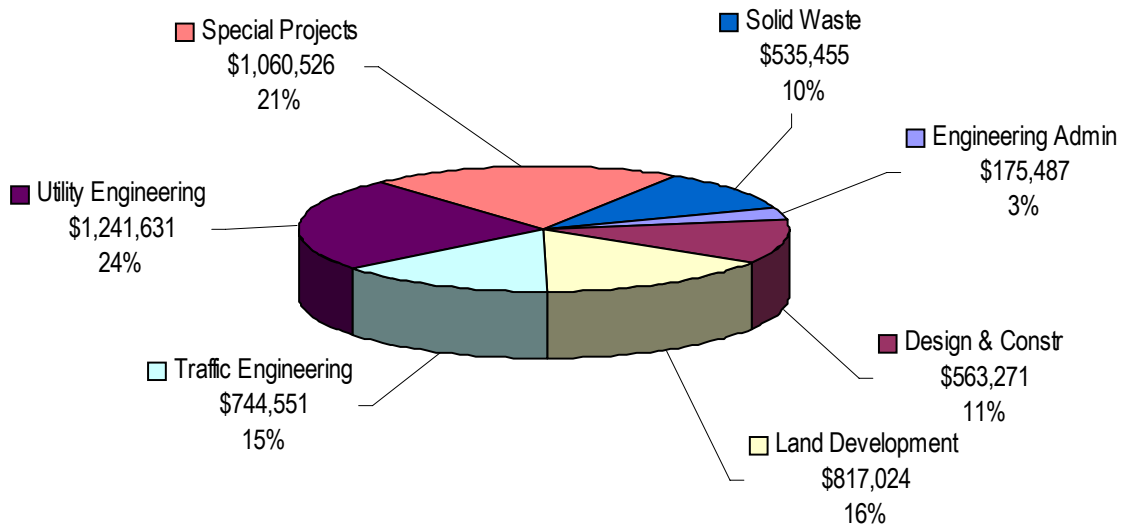
Personnel Allotment of 47.5 FTE

Position	FTE	Vacant	Funded	Position	FTE	Vacant	Funded
City Engineer	1	1	0	CIP Manager	1		
Assistant City Engineer	1	1	0	Princ Transportation Planner	2		
Administrative Analyst I/II	2	1	0	Asst Transportation Planner	1		
Public Information Specialist	1			Engineering Aide	5	3	0
Assistant Civil Engineer	10			Public Works Inspector	4	1	0
Associate Civil Engineer	7	2	1	Sr Public Works Inspector	1		
Principal Civil Engineer	3	1	0	Office Assistant II	1	1	0
Traffic Engineer	1	1	0	Office Specialist	2		
C A D Technician	1			Secretary	1		
Engineering Permit Tech	1	1	0	Temporary Positions (FTE)	1.5		

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations and prefunding of retiree medical benefits.
Services and Supplies	\$168,000 increase in consultant services for mandatory programs and to assist with private development plan checking (for which the City will be reimbursed).
Capital Outlay	None.

EXPENDITURES BY FUNCTION

	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
PERSONNEL SERVICES				
4111 Permanent Salaries	2,174,775	2,483,676	3,402,427	3,505,306
4112 Temporary Salaries	416,137	371,727	433,307	156,228
4113 Overtime	48,564	16,974	59,600	55,000
4121 Allowances	4,302	6,851	5,400	5,400
4124 Leave Cashout	45,589	93,245	0	0
4131 PERS	303,781	439,847	553,802	547,590
4132 Group Insurance	228,277	269,604	434,193	424,313
4133 Medicare	35,391	38,420	50,767	47,745
4135 Worker's Compensation	44,696	34,263	32,993	36,312
4138 Deferred Comp-Employer	28,149	27,592	32,400	8,100
4139 PARS	458	137	0	0
4143 Charged to CIPs	0	0	(1,220,000)	(904,255)
4161 Retiree Medical Reserve	0	0	0	173,533
sub-total	<u>3,330,117</u>	<u>3,782,335</u>	<u>3,784,889</u>	<u>4,055,272</u>
SERVICES AND SUPPLIES				
4200 Community Promotions, Grants & Loans	105,461	204,123	254,000	219,000
4211 Equip Replacement Amortization	28,302	35,250	31,960	38,948
4220 Supplies	15,458	21,333	36,400	20,750
4230 Services	495,022	839,739	674,400	765,050
4410 Communications	1,272	1,232	1,850	250
4501 Memberships and Dues	4,174	6,415	8,570	8,770
4503 Training	5,013	10,042	36,405	25,905
4520 Commissions and Boards	324	388	0	0
sub-total	<u>655,027</u>	<u>1,118,522</u>	<u>1,043,585</u>	<u>1,078,673</u>
CAPITAL OUTLAY				
4850 Vehicles	0	9,091	0	0
4870 Machinery & Equipment	0	74,135	0	0
4920 Machinery Tools & Equipment	0	1,383	4,000	4,000
sub-total	<u>0</u>	<u>84,610</u>	<u>4,000</u>	<u>4,000</u>
TOTAL	<u><u>3,985,144</u></u>	<u><u>4,985,466</u></u>	<u><u>4,832,474</u></u>	<u><u>5,137,945</u></u>

DEPARTMENT:	Planning & N Svcs	PLAN & NEIGH SVCS DIR: Vacant
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Description: This department reviews land development applications and environmental assessments, insures compliance and provides information on state and local ordinances and policies for the public and decision makers, maintains the City's general plan, specific plans and zoning ordinance, provides key Redevelopment Agency support, staffs the Planning Commission, Community Advisory Commission and Sister Cities Commission, insures that residential, commercial and industrial properties are maintained in accordance with city regulations, operates programs for housing, neighborhood beautification, graffiti abatement, abandoned vehicles, and shopping carts, administers the Community Development Block Grant program, and oversees services provided by outside agencies such as fair housing and animal control.

Services

- Provides oversight and maintenance of the General Plan, Midtown Specific Plan, and other specific plans and regulations. Prepares, and assists other departments to prepare, special-purpose long-range plans and insures consistency with existing plans. Coordinates with outside agencies on regional issues and maintains city information on demographics, cultural resources and municipal boundaries.
- Performs and coordinates review of land development applications, oversees implementation of Zoning Ordinance and planning policies and maintains them in compliance with state and federal regulations, conducts environmental review assessments, provides public information on land development regulations and processes and staffs the Planning Commission.
- Responds to public service requests to insure residential, commercial and industrial properties are maintained in accordance with city regulations, and administers programs for neighborhood beautification, graffiti abatement, abandoned vehicles, shopping carts and animal control.
- Administers the Community Development Block Grant program, affordable housing program and the Housing Element, provides programs for housing rehabilitation, administers grants to various agencies for housing related services, and negotiates affordable housing units in new residential developments.
- Staffs the Community Advisory and Sister Cities Commissions and key staff for redevelopment agency.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2006-2007 Accomplishments					
1. Completed entitlements for 380 new housing units.		x			
2. Completed Phase II of Transit Area Specific Plan.		x		x	
3. Completed ordinance amendments to facilitate Farmers' Market locating a new site.	x	x			
4. Resolved over 1,560 code violations and reduced response time from 8 to 5 days.	x	x			x
5. Completed five Owner Participation Agreements for 261 affordable housing units.		x			
2007-2008 Goals					
1. Begin implementation of Transit Area Specific Plan.		x		x	
2. Complete Housing Marketing Study.				x	
3. Complete HUD's CDBG 5-Year Consolidated Plan.		x			
4. Complete development of impact and Community Facility District fees for Transit Area Specific Plan developments.	x	x		x	
5. Successful transition from current permit-tracking system to CRW system.	x		x		

Performance Measures	Actual 2004-05	Actual 2005-06	Projected 2006-07	Estimated 2007-08
Applications to Planning Commission	120	150	165	165
New building square footage/number of housing units approved	59,000/ 1,600	88,700/ 585	323,960/ 1,260	323,960/ 1,260
Planning Division customer contacts	3,270	3,270	3,850	6,000
Customer service requests/violations abated	1,62	1,62	1,960	1,600
Days to abate graffiti on private property	10	10	7	9
Abandoned vehicles abated	337	337	380	380
% complaints responded to within 5 days	98%	98%	100%	100%
Affordable housing units approved	223	260	135	200

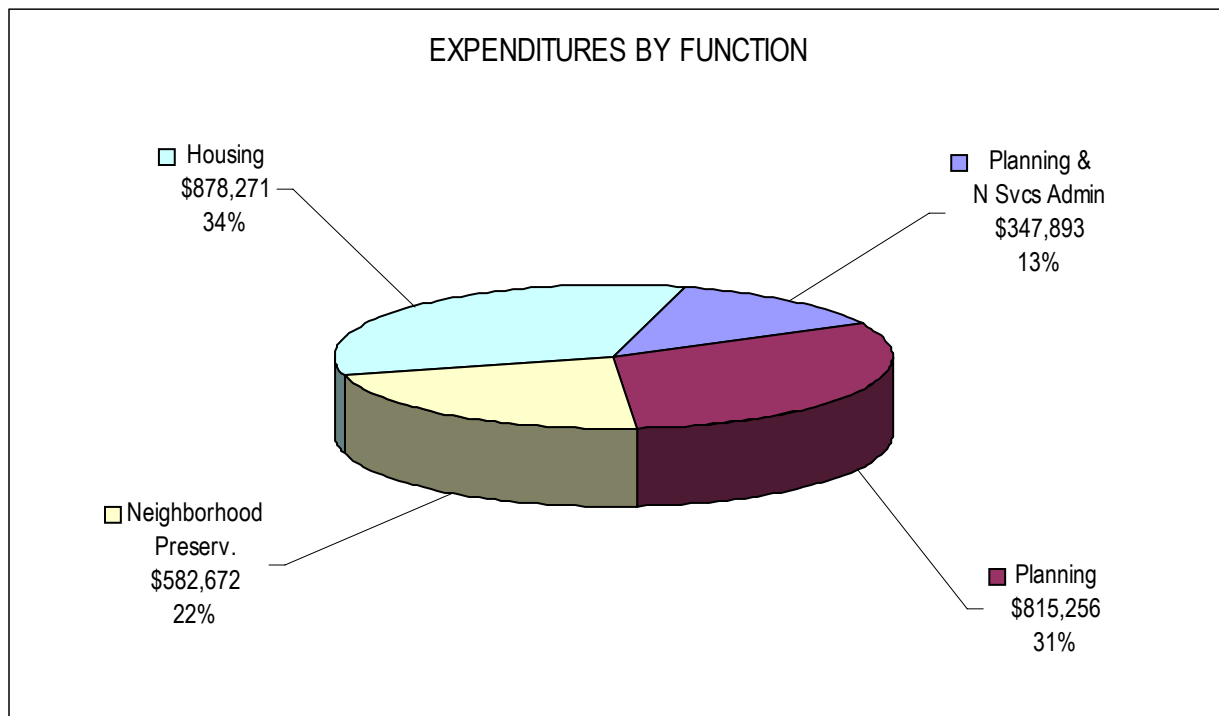
Personnel Allotment of 18.50 FTE

Position	FTE	Vacant	Funded	Position	FTE	Vacant	Funded
Planning & Neigh Svcs Dir	1	1	1	Principal Housing Planner	1		
Assistant Planner	2.5	2.5	0	Housing/Neigh Pres Spec	3		
Associate Planner	2			Senior Housing Specialist	1		
Planning Manager	1	1	0	Office Specialist	2		
Senior Planner	1			Secretary	1	1	0
Principal Admin Analyst	1			Temporary Positions (FTE)	2		

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations and prefunding of retiree medical benefits.
Services and Supplies	Decrease due to reduction of CDBG grant and loan funds.
Capital Outlay	None.



	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
PERSONNEL SERVICES				
4111 Permanent Salaries	1,262,227	993,540	1,092,439	1,161,774
4112 Temporary Salaries	115,221	112,305	149,527	147,497
4113 Overtime	14,412	14,955	26,500	18,500
4121 Allowances	10,842	7,311	5,400	0
4124 Leave Cashout	39,679	37,543	0	0
4131 PERS	161,764	170,122	179,340	195,908
4132 Group Insurance	128,304	117,107	170,094	168,586
4133 Medicare	20,979	15,512	16,594	17,335
4135 Worker's Compensation	8,442	5,737	6,182	6,412
4138 Deferred Comp-Employer	14,277	11,536	12,600	3,600
4139 PARS	23	0	0	0
4161 Retiree Medical Reserve	0	0	0	56,658
sub-total	<u>1,776,170</u>	<u>1,485,668</u>	<u>1,658,676</u>	<u>1,776,270</u>
SERVICES AND SUPPLIES				
4200 Community Promotions, Grants & Loans	389,278	261,096	524,838	407,322
4211 Equip Replacement Amortization	8,855	12,021	12,820	13,504
4220 Supplies	7,327	9,099	15,205	15,205
4230 Services	490,985	288,100	407,866	399,866
4410 Communications	1,554	1,168	2,460	260
4501 Memberships and Dues	3,178	760	2,585	2,585
4503 Training	8,798	2,557	10,225	9,080
sub-total	<u>909,975</u>	<u>574,800</u>	<u>975,999</u>	<u>847,822</u>
CAPITAL OUTLAY				
TOTAL	<u><u>2,686,145</u></u>	<u><u>2,060,468</u></u>	<u><u>2,634,675</u></u>	<u><u>2,624,092</u></u>

DEPARTMENT: Parks & Recreation**PARKS & RECREATION DIR: Bonnie Greiner**

Description: This division provides recreational opportunities, parks and facilities for all residents of Milpitas. We are committed to enhancing the quality of life and providing endless Recreational opportunities to our residents that strengthen community image and sense of place, support economic development, promote health and wellness, foster human development, increase cultural unity, facilitate solutions to community needs and provide recreational experiences while preserving and enhancing our city resources.

Services

- Provides safe, well-maintained, and attractive parks by servicing outdoor athletic facilities, playgrounds, and picnic areas. Services include daily cleaning and security of park restrooms and pathways; playground safety inspections; care of park trees; mowing of park turf; maintenance of aquatic features, a dog park and parking lots.
- Oversees indoor/outdoor facility rentals, Recreation Assistance program, coordinates citywide special events, sponsor and donation functions, supervises departmental operations, coordinates promotions, public relations, publishes the Milpitas Connect activity guide, and staffs six City Commissions.
- Monitors daily operation of the Senior Center that provides a daily lunch program with transportation, a wide variety of drop-in programs, trips, classes, specials events, and social services.
- Provides a variety of youth programs ranging from Preschool children ages 2-5 offering enriching experiences with and emphasis on learning through active play and socialization. For older youth ages 6-12, Recreation offers a variety of year round youth and adult sports leagues and camps as well as weekly summer camps which provides recreational opportunities for children to promote healthy living and socialization. During the school year, grades 1-6 can attend After the Bell, which is offered at four school sites and includes a variety of activities.
- Provides resources and networking opportunities for childcare providers; parents, as well as offering Child Care Grants to local providers.
- Oversees operation of a free drop-in Teen Center that provides programs, computer lab, services, classes and special events that directly serve youth ages 12-17 years.
- Oversees operation of a Sports Center with a full service Fitness Center, fitness classes, personal training, aquatic classes, swim team, adult and youth sports programs and more.
- Provides a volunteer program where over 1,060 individuals serve their community throughout the city. Offers a children's theatre program with six shows a year for ages 5 to 100 years old and Cultural Arts programs, the Phantom Art Gallery and the Cultural Arts Support Program.
- Provides over 715 contract classes, for youth and adults to promote health and wellness and developmental opportunities for the community.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2006-2007 Accomplishments					
1. Created and implemented a Parks & Recreation Inclusion Policy.	x	x			
2. Received \$2,483.21 in donations for Recreation Assistant Program.	x	x		x	
3. Introduced new weekly activities such as break dancing club, cooking classes, and a DJ class at the Senior Center.	x	x			
4. Created a homework room with the assistance of the Rotary Club adding 9 additional computers.	x	x			
5. Received grant program Target for \$1,000.00 for Arts Day.		x		x	
6. Increased daily average number of nutrition meals from 73 to 80 per day.	x	x			
2007-2008 Goals					
1. Partnership between the City of Milpitas Preschool and Milpitas Library with emphasis on literacy and art.		x			
2. Increase classes for "Teen" Fitness.	x	x			x
3. Incorporate an adult badminton open gym program.	x	x			x
4. Finalize Parks Master Plan.	x	x			
5. Purchase and install two park entry signs.		x			
6. Place student volunteers to assist with After the Bell.	x	x			

Performance Measures	Actual 2004-05	Actual 2005-06	Projected 2006-07	Estimated 2007-08
Households/Individuals Assisted in RAP	65	91	95	80
Senior Center Members	902	1,028	1,040	1,050
Nutrition Meals Served at Senior Center	16,932	19,421	20,667	21,165
Rainbow Theatre Productions	4	6	6	6
Monthly Average swim team Participants	60	65	70	75
Sports Center Members	6,500	7,508	7,885	8,278
Athletic Field Maintenance (hours)	4,098	1,947	2,200	2,000
Parks Maintained (acres)	168.63	171.55	171.55	171.55
Number of seasonal adult softball teams	12	21	34	37

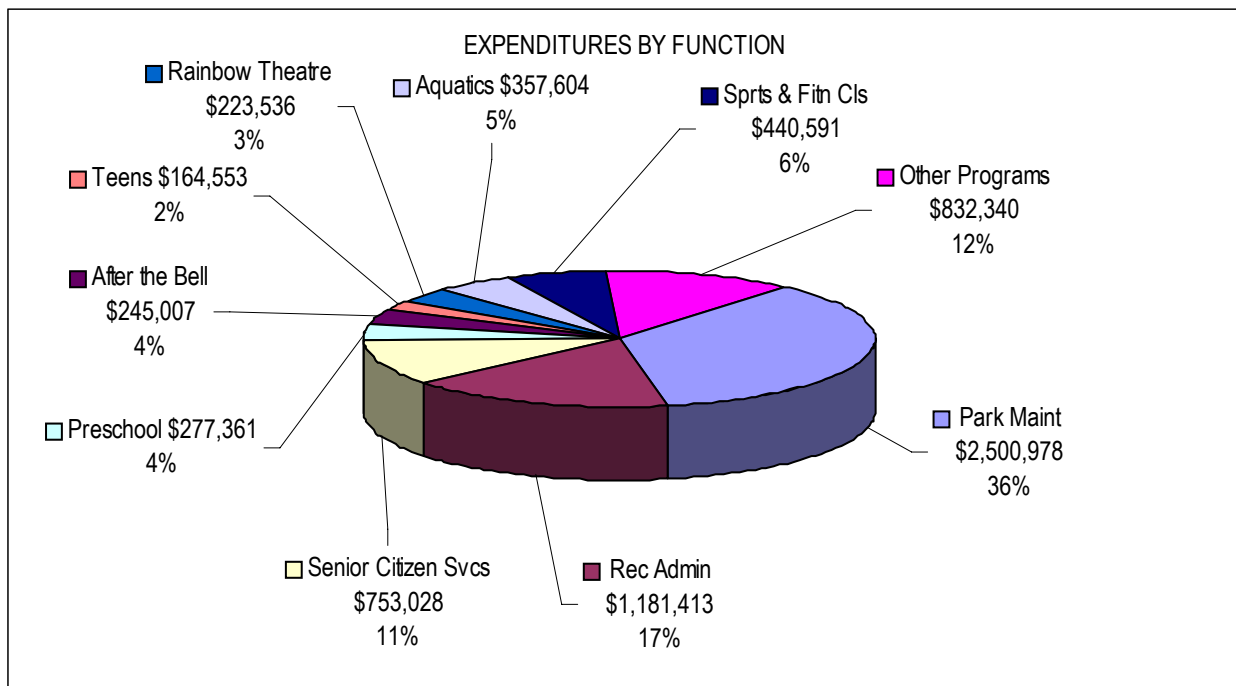
Personnel Allotment of 90.75 FTE

Position	FTE	Vacant	Funded	Position	FTE	Vacant	Funded
Parks and Rec Director	1			Maintenance Worker III	6		
Recreation Services Supv	3	1	0	Maintenance Supervisor	2		
Program Coordinator	7	2	0	Recreation Services Asst I	1		
Office Asst II	2	1	0	Recreation Services Asst II	2.75	1	0
Public Services Asst II	5			Recreation Services Asst III	0.75		
Public Services Supervisor	1			Recreation Services Asst IV	3.75	0.5	0
Maintenance Worker II-37.5	13	2	0	Temporary Positions (FTE)	45.50		

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations and prefunding of retiree medical benefits.
Services and Supplies	Increase attributed to reinstitution of grants and increased daily attendance average for the Senior Center Nutrition Program and replaced small holiday trees.
Capital Outlay	\$33,827 to replace a truck and a utility vehicle for Parks Maintenance Division. Funding from the Equipment Replacement Fund.



	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
PERSONNEL SERVICES				
4111 Permanent Salaries	2,640,669	2,782,291	2,885,846	2,867,439
4112 Temporary Salaries	1,270,632	1,180,785	1,256,644	1,299,825
4113 Overtime	31,753	32,720	63,508	33,600
4121 Allowances	6,910	11,210	9,000	9,000
4124 Leave Cashout	21,503	54,470	0	0
4131 PERS	370,330	500,180	501,003	500,261
4132 Group Insurance	404,865	447,637	550,644	539,256
4133 Medicare	51,494	50,687	54,198	55,181
4135 Worker's Compensation	88,801	79,815	80,575	78,803
4138 Deferred Comp-Employer	21,146	20,021	22,500	4,500
4139 PARS	11,141	9,962	10,155	12,523
4161 Retiree Medical Reserve	0	0	0	141,240
sub-total	<u>4,919,244</u>	<u>5,169,778</u>	<u>5,434,073</u>	<u>5,541,628</u>
SERVICES AND SUPPLIES				
4200 Community Promotions, Grants & Loans	54,934	43,423	72,600	68,100
4211 Equip Replacement Amortization	176,441	237,232	233,210	257,095
4220 Supplies	382,806	318,210	329,517	332,177
4230 Services	695,674	703,116	792,122	763,761
4410 Communications	6,474	6,134	7,800	0
4501 Memberships and Dues	2,245	3,160	3,600	4,000
4503 Training	10,374	2,975	8,450	8,450
4600 Ins, Settlements & Contgcy	698	657	1,200	1,200
sub-total	<u>1,329,646</u>	<u>1,314,907</u>	<u>1,448,499</u>	<u>1,434,783</u>
CAPITAL OUTLAY				
4850 Vehicles	0	24,355	0	0
4920 Machinery Tools & Equipment	767	329	10,400	0
sub-total	<u>767</u>	<u>24,684</u>	<u>10,400</u>	<u>0</u>
TOTAL	<u><u>6,249,657</u></u>	<u><u>6,509,369</u></u>	<u><u>6,892,972</u></u>	<u><u>6,976,411</u></u>

DEPARTMENT: Police**POLICE CHIEF:** Dennis Graham

Description: This department provides 24 hours-a-day, 365 days-a-year policing services to the City, keeps the peace and prevents and controls crime. The Department's nine functions include Administration, Patrol, Traffic, Crossing Guards, Community Relations, Investigations, Communications, Records and Personnel and Training.

Services

- Provides 24-hours a day, 365 days-a-year response to calls for police services. Safeguards the community from crime through deterrence, prevention and arrest of offenders. Preserves the public peace, protects life and property and appropriately enforces laws and ordinances.
- Investigates auto thefts, hit-and-runs, and traffic accidents; conducts accident reconstruction for major-injury and fatal collisions; provides traffic control at major events; and enforces traffic laws.
- Manages the Crossing Guard program, which staffs the 28 most critical intersections within the City to ensure the safety of children walking to and from school.
- Provides DARE instruction to all fifth graders and to Middle Schools, teaches Police Science at Milpitas High School, and conducts PAL, Neighborhood Watch, Police Explorer, Senior Volunteer and other crime prevention programs.
- Works closely with the school district and county agencies to divert first time offenders from the juvenile justice system through parent counseling and other innovative programs. School Resource Officers serve Milpitas High, Calaveras Hills, and Rancho and Russell middle schools .
- Provides follow-up investigation of crimes against persons, fraud, high technology and crimes against property.
- Conducts gang prevention, intervention and investigation; tracks sex registrants; and conducts pro-active narcotic investigations.
- Provides 24 hours-a-day, 365 days-a-year 9-1-1 emergency telephone answering and emergency dispatching for Police, Fire and other City Departments.
- Provides public counter service, filing of criminal complaints, crime analysis and evidence management. Processes, maintains and distributes Police and Fire reports, prepares statistical data required by law, and responds to report requests and telephone inquiries from citizens and other authorized entities.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2006-2007 Accomplishments					
1. Reduced crime by 1.64% in 2006.		x			x
2. Reduced violent crime by 6.7%, to a 30-year low of 2.79 incidents per 1,000 residents.		x			x
3. Response times to emergency calls reduced by 13% to 3:05, a 6-year low.	x	x			x
4. Provided 130 car seat safety presentations, an increase of 17%.	x	x			x
5. Maintained 100% compliance with registration requirements by known sex offenders.		x			x
6. Implemented the automated property system.	x		x	x	
7. Implemented Pedestrian Safety decoy program.		x			x
8. Established Internet Safety presentations for parents and children.	x	x			x
2007-2008 Goals					
1. Reduce residential burglaries by 2%.					x
2. Reduce collisions by 2% through directed traffic enforcement during peak school and commute hours.					x
3. Ensure 100% registration by known sex offenders.					x
4. Implement the on-line reporting system.	x		x	x	
5. Expand implementation of Parent Drug Awareness programs.	x	x			x
6. Expand Student Valet program to all MUSD elementary schools	x	x			x

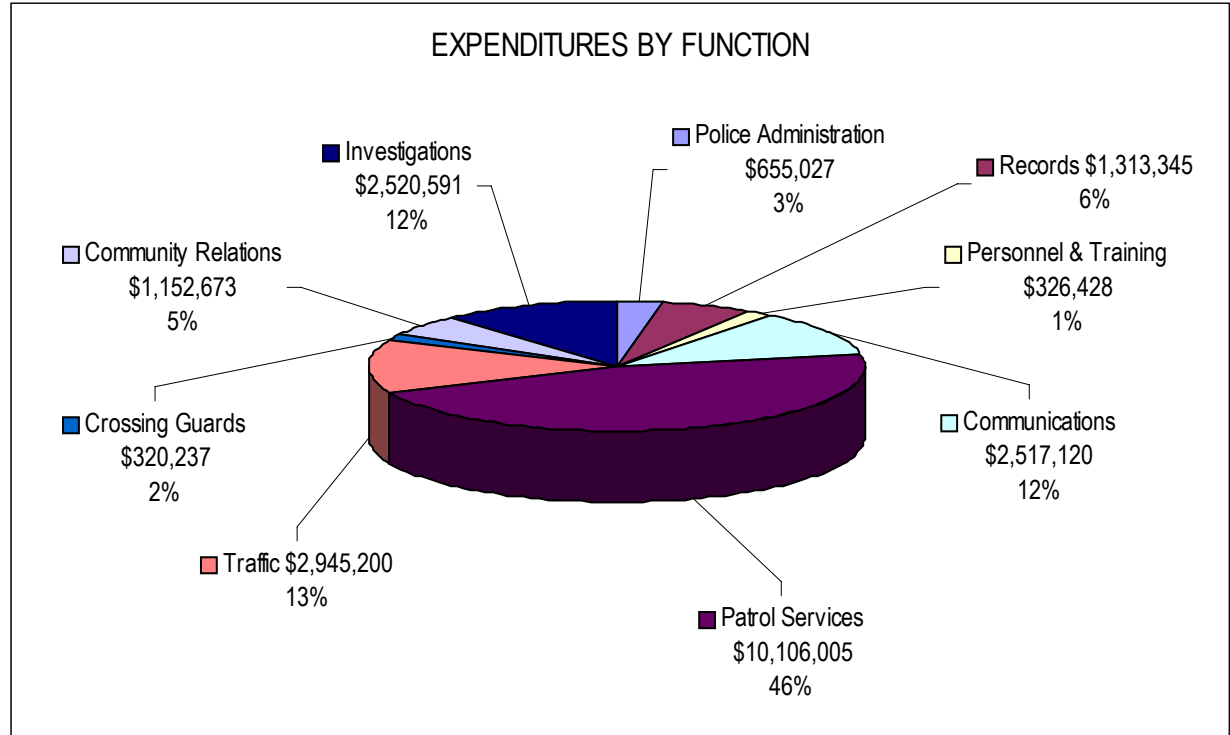
Performance Measures	Actual 2004-05	Actual 2005-06	Projected 2006-07	Estimated 2007-08
Avg. response time to emergency calls (minutes)	3:44	3:12	3:06	3:10
Percentage of 9-1-1 calls answered by a dispatcher within 10 seconds	98%	99%	99%	99%
Percentage of public requests for report information completed within two days	N/A*	96%	96%	96%
Number of anti-terrorist Patrol checks	10,664	12,813	12,300	12,300
Number of accidents involving school children at intersections staffed by Crossing Guards	0	0	0	0
DARE presentations: schools/students	14/1,579	13/1,538	14/1,572	13/1,540
Community presentations	180	179	190	200
Number of vehicle citations issued	14,453	14,161	10,624	11,000
Number of arrests reported to FBI (all crimes)	3,238	3,512	3,334	3,265

*Data not captured in previous years

Personnel Allotment of 137.50 FTE							
Position	FTE	Vacant	Funded	Position	FTE	Vacant	Funded
Police Chief	1			Secretary	1		
Police Captain	2	2	0	Police Assistant	1	1	0
Police Commander	3			Police Clerk II	6	1	0
Crime Analyst	1			Police Clerk Supervisor	2		
Police Lieutenant	4			Police Property Clerk	1.5	0.5	0
Patrol Officer	8	3	0	Communications Dispatcher	12		
Police Officer	64	3	1	Communications Supervisor	4	1	0
Police Sergeant	13			Temporary Positions (FTE)	13		
Office Asst II	1			Note: Flex Staffing – Patrol Services			

Staff Change(s): None

Expenditure Analysis	
Personnel Services	Increase due to MOU contractual obligations and prefunding of retiree medical benefits.
Services and Supplies	Increase attributed to higher county crime lab, CAL-ID and SLETS fees.
Capital Outlay	\$248,800 to replace five cars, one truck, one van, one motorcycle and one message board trailer. \$228,484 from Equipment Replacement Fund, \$15,000 from Asset Seizure Fund and the balance from General Fund.



	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
PERSONNEL SERVICES				
4111 Permanent Salaries	12,121,943	12,115,591	13,083,669	13,275,926
4112 Temporary Salaries	407,070	334,677	377,854	377,854
4113 Overtime	799,626	645,140	660,521	693,547
4121 Allowances	150,295	144,695	152,844	138,624
4124 Leave Cashout	284,198	464,738	0	0
4131 PERS	2,893,845	3,065,847	2,773,452	2,869,020
4132 Group Insurance	1,172,217	1,301,470	1,549,248	1,655,844
4133 Medicare	151,538	146,311	157,033	167,467
4135 Worker's Compensation	626,710	597,478	527,248	535,838
4138 Deferred Comp-Employer	7,603	6,829	7,200	5,400
4139 PARS	3,675	3,568	5,372	5,372
4141 Adjustments-Payroll	1	0	0	0
4161 Retiree Medical Reserve	0	0	0	574,613
sub-total	<u>18,618,721</u>	<u>18,826,344</u>	<u>19,294,441</u>	<u>20,299,505</u>
SERVICES AND SUPPLIES				
4200 Community Promotions, Grants & Loans	0	3,000	3,000	3,000
4211 Equip Replacement Amortization	265,727	528,304	527,560	530,543
4220 Supplies	217,348	153,546	223,458	223,458
4230 Services	423,634	401,456	591,811	611,793
4410 Communications	31,016	30,387	38,200	25,700
4501 Memberships and Dues	1,876	1,535	3,928	3,963
4503 Training	50,190	43,562	68,151	73,151
sub-total	<u>989,791</u>	<u>1,161,790</u>	<u>1,456,108</u>	<u>1,471,608</u>
CAPITAL OUTLAY				
4850 Vehicles	0	4,439	0	35,513
4870 Machinery & Equipment	86,248	21,033	0	15,000
4920 Machinery Tools & Equipment	28,468	153,264	50,000	35,000
sub-total	<u>114,716</u>	<u>178,737</u>	<u>50,000</u>	<u>85,513</u>
TOTAL	<u><u>19,723,228</u></u>	<u><u>20,166,871</u></u>	<u><u>20,800,549</u></u>	<u><u>21,856,626</u></u>

DEPARTMENT:	Fire	FIRE CHIEF: Clare Frank
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Description: This department provides full response, preparedness, and prevention services. The department's emergency response and preparedness division handles emergency incidents, safety, training, disaster preparedness and public information. The department's fire prevention division handles fire plans and permits, hazardous materials regulation, inspections and investigations.

Services

- **Administration:** Manages command-staff and directs administrative, planning, and logistical aspects of the department.
- **Emergency Response:** Responds to and manages emergency incidents involving fires, medical care, vehicle accidents, rescues, hazardous-materials releases and other emergencies affecting the health and welfare of those in the community. Personnel staff five apparatus at four fire stations strategically located for quick response times throughout the City.
- **Safety & Training:** Provides a safety program to reduce the injury rate and risks associated with this inherently dangerous profession. Operates drill grounds and training programs to ensure that personnel maintain skill and certification levels.
- **Disaster Preparedness:** Performs citywide disaster preparedness functions, providing Emergency Operations Center management, Strategic Actions For Emergencies (SAFE) training to Milpitas citizens, care-and-shelter cache maintenance, amateur radio operator support, and large-scale disaster planning in accordance with state, regional, and federal cooperative guidelines.
- **Public Information:** Provide prevention-education for schools, businesses, citizen groups and community events in Milpitas. Also ensure that general prevention information is available in handouts, the city website, and community media.
- **Plan-check & Permits:** Provides plan reviews and permits for new construction, change in occupancy, tenant improvement, and fire-systems, to ensure compliance with fire regulations.
- **Hazardous Materials Regulation:** Provide hazardous materials storage and use regulation and urban-runoff management assistance in accordance with state and local laws.
- **Inspections & Investigations:** Conducts inspections for new construction and high-risk occupancies to ensure compliance with state and local fire laws. Provides fire cause and origin investigations and follow-up case preparation in cooperation with the Police Department.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2006-2007 Accomplishments					
1. Responded to 3,950 emergency incidents with an average response time 4.18 minutes.*	x	x			x
2. Certified 25% of response personnel in advanced urban rescue techniques.	x		x		x
3. Reduced number of work-related injuries.			x	x	x
4. Certified 43 new S.A.F.E.** Team members and provided training to all critical Emergency Operations staff.	x	x			x
5. Conducted 1,400 plan reviews, issued 805 approvals/permits, and performed 1,600 inspections.*	x				x
6. Presented prevention information at nearly 65 events; over half these events with more than 25 attendees.*	x	x			x
2007-2008 Goals					
1. Maintain response times to 4.18 minutes or less even as call-volume increases.	x	x			x
2. Certify another 25% of response personnel in advanced urban rescue techniques; provide leadership training to all company officers.	x		x		x
3. Reduce firefighter injuries.			x	x	x
4. Certify an additional 50 S.A.F.E. team members and provide refresher training to critical Emergency Operations Center staff.	x	x			x
5. Improve inter-department coordination during planning and new construction phases.	x				x
6. Respond to 100% of prevention education requests for community and city events.	x	x			x

*These are calendar year figures. **Strategic Actions For Emergencies

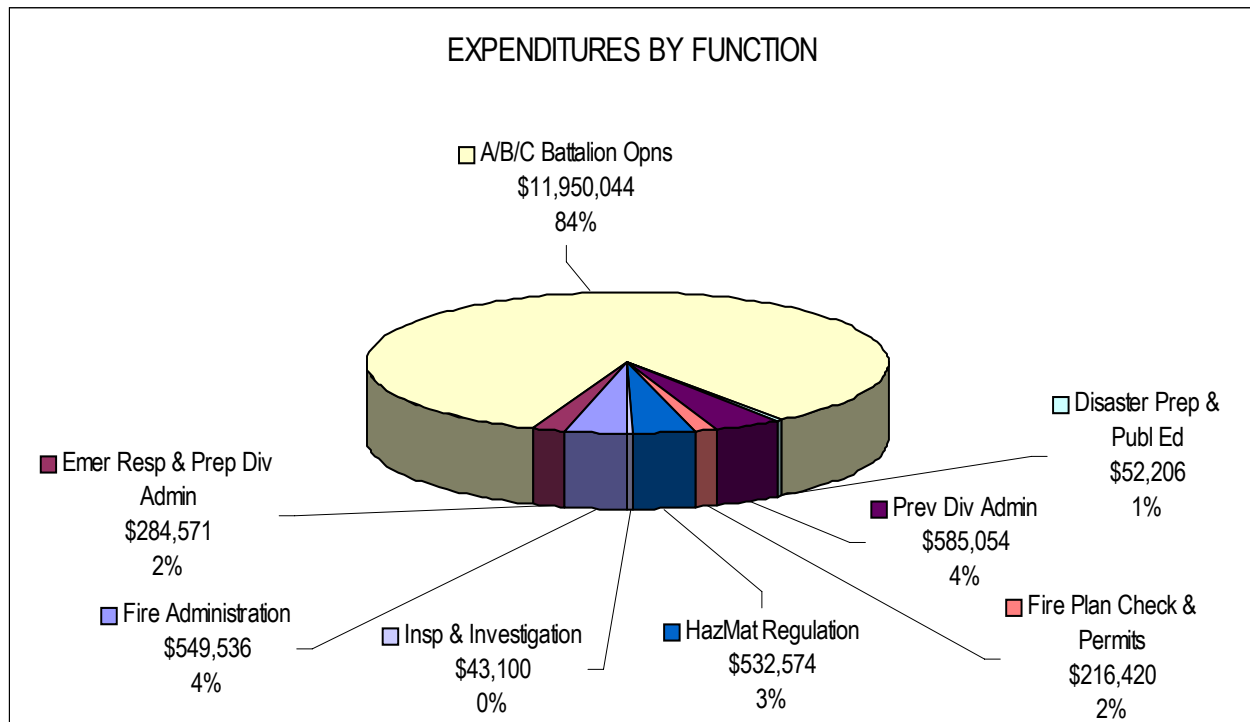
Performance Measures	Actual 2004-05	Actual 2005-06	Projected 2006-07	Estimated 2007-08
Calls for service & average response times (minutes)	4,200/4:18	4,250/4:07	4,000/4:18	4,200/4:18
Number of platoon training hours & personnel certified to serve at higher rank	240/NA	235/20	230/28	230/25
Number of disaster preparedness citizens (per 1,000) & civilian employees (%)	1.9/NA	1.2/NA	2.0/10	2.0/10
Number of plan reviews/inspections	845/2,514	1,005/4,231	1,000/4,300	1,000/4,300
Prevention information events/contacts	73/16,000	70/16,000	65/16,000	65/16,000
Loss rate compared to value (millions)	\$2.6/5.6	\$0.5/\$1.6	\$0.7/\$1.9	\$0.9/\$2.5

Personnel Allotment of 80 FTE							
Position	FTE	Vacant	Funded	Position	FTE	Vacant	Funded
Fire Chief	1			Fire Engineer	14	3	0
Assistant Fire Chief	1	1	0	Firefighter	13		
Fire Marshal	1			Firefighter/Paramedic	12	1	0
Assistant Fire Marshal	1			Fire Engineer-Paramedic	6		
Fire Battalion Chief	4			Emerg Svcs Coordinator	1	1	0
Fire Captain	16	3	0	Office Assistant II	1		
Fire Prevention Inspector	2	2	0	Office Specialist	1		
Hazardous Materials Inspector	3			Secretary	1		
Fire Protection Engineer	2	1	0				

Staff Change(s): A Battalion Chief position eliminated, an Emergency Services Coordinator added and the Office Assistant II transferred from prevention to administration.

Expenditure Analysis

Personnel Services	Reduced permanent salaries and increased overtime due to increased vacancies and includes prefunding of retiree medical benefits.
Services and Supplies	Increase due to increased costs in supplies, contractual services and equipment amortization charges.
Capital Outlay	\$130,000 for 12 defibrillator/monitor, funding \$120,000 from Equipment Replacement Fund and the balance from General Fund.



	Actual 2004-05	Actual 2005-06	Adopted 2006-07	Proposed 2007-08
PERSONNEL SERVICES				
4111 Permanent Salaries	8,200,707	8,135,096	8,405,788	8,055,669
4112 Temporary Salaries	139,438	87,889	49,792	0
4113 Overtime	768,824	543,103	564,598	815,470
4121 Allowances	54,173	52,467	65,284	49,920
4124 Leave Cashout	855,792	482,308	0	0
4131 PERS	2,189,960	2,166,558	1,855,143	1,795,265
4132 Group Insurance	800,883	870,673	990,780	972,732
4133 Medicare	85,917	87,572	90,981	83,848
4135 Worker's Compensation	414,884	379,901	363,712	349,440
4138 Deferred Comp-Employer	11,666	11,743	11,700	42,600
4139 PARS	223	2	0	0
4161 Retiree Medical Reserve	0	0	0	363,556
sub-total	<u>13,522,466</u>	<u>12,817,312</u>	<u>12,397,778</u>	<u>12,528,500</u>
SERVICES AND SUPPLIES				
4200 Community Promotions, Grants & Loans	4,204	0	1,500	1,500
4211 Equip Replacement Amortization	556,158	997,093	1,065,700	1,100,020
4220 Supplies	159,818	177,188	250,960	253,560
4230 Services	125,663	132,718	176,500	203,450
4410 Communications	18,705	16,752	15,000	5,000
4501 Memberships and Dues	3,556	5,913	10,705	9,780
4503 Training	34,343	52,409	99,175	101,695
sub-total	<u>902,448</u>	<u>1,382,073</u>	<u>1,619,540</u>	<u>1,675,005</u>
CAPITAL OUTLAY				
4850 Vehicles	938,284	3,994	0	0
4870 Machinery & Equipment	0	108,657	0	10,000
sub-total	<u>938,284</u>	<u>112,651</u>	<u>0</u>	<u>10,000</u>
TOTAL	<u><u>15,363,198</u></u>	<u><u>14,312,036</u></u>	<u><u>14,017,318</u></u>	<u><u>14,213,505</u></u>

DEPARTMENT:	Non-Departmental
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Description: This department finances a variety of activities which generally are not specific to any one department including debt services and equipment replacement. Wage funding included expenditures not budgeted in the individual departments. They include vacation cashouts, leave accruals, benefit administration fees, citywide tuition reimbursement and unemployment. Common copier costs, for City Hall, have been centralized in this function with appropriations accordingly reduced in the respective departments. All utility payments are centralized in this function. Sewer treatment plant capital billing, maintenance and operation are funded in this function, as are all water purchases.

Expenditure Analysis

Personnel Services: \$2,670,100 will finance vacation cashouts, leave accruals, MOU contractual obligations and unemployment. Administration costs for the City's Public Agency Retirement System (PARS) program are included in this function.

Services and Supplies: \$6,489,300 is for Treatment Plant fees; \$2,680,000 is for gas, electric and water utilities; and \$6,729,600 is for water purchases. \$5,300,000 is set aside for Housing Grants and Loans. A total of \$37,000 is reflected in this function for citywide tuition reimbursement, computer training, personnel training and redevelopment training. The City's insurance premium with ABAG is \$422,000 for the 2007-08 fiscal year.

Debt Service: \$12,716,000 is projected to pay the principal and interest due on the Agency Tax Allocation Bonds. \$1,258,000 is estimated for payment of the 00-02 Certificates of Participation for technology projects. \$731,000 is scheduled to pay the principal and interest due on the 2006 Certificates of Participation for the sewer system. \$4,000,000 is for payment to the County of Santa Clara in accordance to a Purchase & Sale Agreement.

Equipment to be depreciated: \$405,764 is for equipment replacement from monies that are available in the Equipment Replacement Fund.

	100 General Fund	211 H-H Lease Fund	250 HCD Fund	310 Street Fund
PERSONNEL SERVICES				
4124 Leave Cashout	300,000	0	0	0
4132 Group Insurance	666,050	0	0	0
4136 Unemployment	77,000	0	0	0
4137 MOU Contractual Agreements	679,440	0	0	0
4139 PARS	6,545	0	0	0
4141 Adjustments-Payroll	530,000	0	2,000	0
4142 Vacancy Factor	(150,000)	0	0	0
sub-total	<u>2,109,035</u>	<u>0</u>	<u>2,000</u>	<u>0</u>
SUPPLIES & CONTRAC SVCS				
4200 Community Promotions, Grants & Loans	0	0	0	0
4237 Contractual Services	25,620	0	0	900
4239 Audit Fees	56,000	0	6,000	6,000
4242 Rents & Leases	0	32,000	0	0
4252 Retainers & Fees	150,000	0	0	0
4253 ABAG Attorney's Fees	39,000	0	0	0
4254 ABAG Settlements	60,000	0	0	0
4421 Utilities-Gas	208,800	0	0	36,000
4422 Utilities-Electric	1,271,090	0	0	46,410
4423 Utilities-Water	359,600	0	0	62,000
4424 SFWD, Wholesale Water Purchase	0	0	0	0
4425 SCVWD, Wholesale Water Purchase	0	0	0	0
4427 Recycled Water Purchase	0	0	0	0
4428 Treatment Plant, Capital	0	0	0	0
4429 Treatment Plant, M&O	0	0	0	0
4503 Training and Registration	9,240	0	0	0
4509 Tuition Reimbursement	15,400	0	0	0
4600 Insurance & Settlements	252,000	0	0	0
4610 Uncollectible Accounts	20,000	0	0	0
4640 Contingent Reserve	463,000	0	0	0
sub-total	<u>2,929,750</u>	<u>32,000</u>	<u>6,000</u>	<u>151,310</u>
DEBT SERVICE				
4701 Retirement of Principal	1,180,000	0	0	0
4711 Interest Expense	78,000	0	0	0
4720 Contractual Obligation	0	0	0	0
sub-total	<u>1,258,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
CAPITAL OUTLAY				
4850 Vehicles	0	0	0	0
4870 Machinery & Equipment	0	0	0	0
sub-total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>6,296,785</u></u>	<u><u>32,000</u></u>	<u><u>8,000</u></u>	<u><u>151,310</u></u>

Non-Departmental

390 RDA Fund	400 Water Fund	406 Recycled Water	450/452 Sewer Fund	500 Equipment Replacement	Proposed 2007-2008
38,960	31,160	0	19,480	0	389,600
86,500	69,200	0	43,250	0	865,000
10,000	8,000	0	5,000	0	100,000
77,200	61,760	0	38,600	0	857,000
850	680	0	425	0	8,500
18,000	25,000	1,000	15,000	9,000	600,000
0	0	0	0	0	(150,000)
231,510	195,800	1,000	121,755	9,000	2,670,100
5,315,000	0	0	0	0	5,315,000
25,180	4,130	0	15,570	0	71,400
12,000	10,000	0	10,000	0	100,000
0	0	0	0	0	32,000
0	0	0	0	0	150,000
13,000	3,250	0	9,750	0	65,000
20,000	25,000	0	75,000	0	180,000
7,200	61,200	0	46,800	0	360,000
170,000	93,500	0	119,000	0	1,700,000
12,400	105,400	0	80,600	0	620,000
0	4,223,000	0	0	0	4,223,000
0	2,247,000	0	0	0	2,247,000
0	0	259,600	0	0	259,600
0	0	0	2,704,000	0	2,704,000
0	0	0	3,785,300	0	3,785,300
6,200	960	0	600	0	17,000
2,000	1,600	0	1,000	0	20,000
46,000	23,000	0	69,000	32,000	422,000
0	50,000	0	50,000	0	120,000
400,000	0	0	100,000	0	963,000
6,028,980	6,848,040	259,600	7,066,620	32,000	23,354,300
3,855,000	0	0	375,000	0	5,410,000
8,861,000	0	0	356,000	0	9,295,000
4,000,000	0	0	0	0	4,000,000
16,716,000	0	0	731,000	0	18,705,000
0	0	0	0	285,764	285,764
0	0	0	0	120,000	120,000
0	0	0	0	405,764	405,764
22,976,490	7,043,840	260,600	7,919,375	446,764	45,135,164

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City of Milpitas
2007-12 CAPITAL IMPROVEMENT PROGRAM
GRAND SUMMARY

Project Expenses	2007-08	2008-09	2009-10	2010-11	2011-12	Total
Community Improvement	1,690,000	75,000	550,000	180,000	500,000	2,995,000
Park Improvement	590,000	705,000	1,740,000	4,520,000	2,165,000	9,720,000
Streets	3,305,000	6,460,000	4,500,000	1,360,000	1,590,000	17,215,000
Water	2,540,000	3,190,000	3,345,000	3,200,000	1,445,000	13,720,000
Sewer Improvement	150,000	2,893,000	2,135,000	1,335,000	1,000,000	7,513,000
Storm Drain Improvement	170,000	1,025,000	380,000	85,000	225,000	1,885,000
Total	8,445,000	14,348,000	12,650,000	10,680,000	6,925,000	53,048,000

Finance Sources	2007-08	2008-09	2009-10	2010-11	2011-12	Total
1997 RDA Tax Allocation Bonds	877,000	216,000	0	0	0	1,093,000
2000 RDA Tax Allocation Bonds	73,000	0	0	0	0	73,000
Developer Contributions	225,000	200,000	200,000	200,000	0	825,000
General Fund	100,000	0	0	0	250,000	350,000
Grants	0	3,284,000	2,584,000	0	0	5,868,000
Other Sources	50,000	50,000	50,000	2,490,000	1,500,000	4,140,000
Park Fund	590,000	630,000	540,000	2,030,000	665,000	4,455,000
RDA Tax Increment	1,705,000	2,460,000	2,266,000	215,000	662,000	7,308,000
Sewer Fund	155,000	1,998,000	1,235,000	1,135,000	0	4,523,000
Sewer Infrastructure Fund	0	700,000	700,000	0	1,000,000	2,400,000
Street Fund	2,100,000	1,515,000	1,380,000	1,360,000	1,290,000	7,645,000
Water Fund	2,545,000	3,195,000	3,345,000	3,200,000	1,445,000	13,730,000
Storm Drain Fund	0	100,000	350,000	50,000	113,000	613,000
Public Art Fund	25,000	0	0	0	0	25,000
Total	8,445,000	14,348,000	12,650,000	10,680,000	6,925,000	53,048,000

NOTES

- (a) RDA Tax Increment funding dependent upon fund availability.
(b) "Other Sources" are identified on the detailed project sheets.
(c) Grants are identified on the detailed project sheets.

COMMUNITY IMPROVEMENT PROJECTS

The Community Improvement category includes continued funding of a couple existing projects and funding of new projects as follows:

Project Number-Name

Description

3397-Public Cable Access Facility

Provides for the design, development and installation of a Public, Educational and Government (PEG) access facility within the Milpitas City Hall. The facility and associated equipment will support the production and broadcast of Public, Educational and Government programming for the residents of Milpitas.

8174-Range Lead Containment System

Provides an environmentally safe bullet containment system (Bullet Trap) at the Milpitas Police Shooting Range. This project includes grading and other improvements to the site. This project also provides for environmental studies of the site and any restoration if needed.

8182-City Building Improvements

Provides renovation and rehabilitation work to all City buildings. The work involves replacement of heating, ventilation and air conditioning systems, energy savings, lighting replacements and other improvements to the City's facilities.

3399-Community Warning System Master Plan

Provides a Master Plan for a Community Warning System, which includes review and evaluation of the existing systems at the three locations in Milpitas and research the available technologies to provide recommendations for a City-wide Community Warning System.

8183-Corporation Yard Canopies

Provides for metal canopies to cover the vehicle fueling station, chemical fill and wash areas and material storage bins located at the Public Works Corporation Yard. These structures prevent chemical or fuel contamination of storm water system at these locations.

8184-In-ground Water Clarifiers

Provides for the design and installation of in-ground water clarifiers (water recycle system) at each fire station. This would allow washing fire vehicles with detergent at each station. Current urban runoff permit requirements do not allow water with detergents to enter the storm drain system.

8185-Midtown EIR Amendment

Provides an update to the Midtown EIR through preparation of an amendment, including a public participation process to help evaluate current goals, policies and changes to the existing EIR.

8186-Public Art Improvements

Provides for two existing public art pieces, the Flute Player in the City Hall Plaza fountain and Legends of Milpitas in Murphy Park, which have structural deficiencies that need to be corrected to ensure their structural integrity. The Flute Prayer will be raised so that the left foot is above the water line and the totems will receive protective adhesive.

COMMUNITY IMPROVEMENT PROJECTS

NUMBER	PROJECT TITLE	PROPOSED	ESTIMATED ANNUAL MAINTENANCE COST
331-3397	Public Cable Access Facility	\$ 50,000	\$ 0
391-8174	Range Lead Containment System	40,000	0
391-8182 *	City Building Improvements	500,000	0
331-3399 *	Community Warning System Master Plan	150,000	0
391-8183 *	Corporation Yard Canopies	600,000	1,500
391-8184 *	In-ground Water Clarifiers	175,000	0
391-8185 *	Midtown EIR Amendment	150,000	0
391-8186 *	Public Art Improvements	25,000	0
	TOTAL COST	<u>\$ 1,690,000</u>	<u>\$ 1,500</u>

AVAILABLE FINANCING SOURCE:

General Fund	100,000
Public Art Fund	25,000
RDA Tax Increment	890,000
1997 RDA Tax Allocation Bond	327,000
2000 RDA Tax Allocation Bond	73,000
Grant	50,000
Developer Contributions	225,000
TOTAL AVAILABLE	<u>\$ 1,690,000</u>

NOTE: Asterisk (*) indicates new projects.

PARK IMPROVEMENT PROJECTS

The Park Improvement category includes continued funding of an existing project and funding of new projects as follows:

Project Number-Name

Description

5082-Park Renovation Project 2007

Provides for miscellaneous park renovations and the installation of additional and replacement park equipment on a prioritized based schedule.

5084-Berryessa Creek Trail, Reach 6A

Provides for the design and construction of reach 6A of the Berryessa Creek Trail from Montague Expressway to the Capitol Mall apartments. The project consists of an engineered pedestrian/bicycle bridge, trail paving, plantings and trail amenities.

5085-Electrical Cabinet Upgrade

Provides for the upgrades or the replacements of the electrical cabinets and equipment at the athletic fields.

5086-Park Irrigation System Rehabilitation

Provides for new central computer irrigation system and updates the irrigation systems at all City parks.

PARK IMPROVEMENT PROJECTS

NUMBER	PROJECT TITLE	PROPOSED	ESTIMATED ANNUAL MAINTENANCE COST
321-5082	Park Renovation Project 2007	\$ 80,000	\$ 0
321-5084 *	Berryessa Creek Trail, Reach 6A	10,000	0
321-5085 *	Electrical Cabinet Upgrade	100,000	0
321-5086 *	Park Irrigation System Rehabilitation	400,000	0
	TOTAL COST	<u>\$ 590,000</u>	<u>0</u>

AVAILABLE FINANCING SOURCE:

Park Fund	<u>590,000</u>
TOTAL AVAILABLE	<u>\$ 590,000</u>

NOTE: Asterisk (*) indicates new projects.

STREET IMPROVEMENT PROJECTS

The Street Improvement category includes continued funding of several existing projects and funding of new projects as follows:

Project Number-Name

Description

4047-Dixon Landing Road/I-880 Interchange

Provides construction of a full interchange at Dixon Landing Rd. and I-880. All the construction work has been completed. The remaining work includes right-of-way transfer to Caltrans.

4170-Hwy 237/I-880 Interchange

Provides design and construction of the 237/880 interchange through a cooperative agreement between Milpitas and Santa Clara County Traffic Authority. The construction was completed in 2004. The remaining work includes right-of-way transfer to Caltrans, landscaping and a gateway monument.

4202-Calaveras Blvd R/R Overcrossing Sidewalk Improvements

Provides for safety improvements by widening the existing sidewalk on Calaveras Boulevard railroad overcrossing bridge.

4227-Gateway Signs Project

Provides for minor gateway signs at three heavily travelled intersections, which will provide more visible promotion for the City.

4237-Traffic Management Enhancements 2007

Provides for the upgrade and deployment of traffic management equipment used to monitor and control the City's roadway network.

4238-Traffic Signal Modifications 2007

Provides for minor traffic signal improvement projects resulting from the need for operations improvements or emergency repairs and safety enhancements such as pedestrian countdown signals and battery back-up systems.

8164-BART Extension Coordination and Planning

Provides for the coordination of utilities, right-of-way and other design features with outside agencies. The BART extension from Fremont to San Jose will pass through and include a station in Milpitas.

8187-Carlo St & Calaveras Blvd Ramp Conversion Study

Provides for the preparation of a traffic study, preliminary plans and specifications for the conversion of the Carlo St. On-Ramp to Eastbound Calaveras Blvd to an Off-Ramp. The conversion will provide more direct access to the Midtown District. The traffic study will focus on operational impacts to existing traffic patterns.

4240-Clean & Safe Streets

Provides pedestrian and bicycle enhancements by the installation of the high-visibility crosswalks and signage, ADA compliant handicap ramps and outreach materials.

4241-Street Light & Signal Pole Painting 2008

Provides for the cleaning and repainting of approximately 600 street light poles in addition to those located at approximately 50 intersections.

4242-Street Resurfacing Project 2008

Provides for the street resurfacing in 2008, which includes a variety of pavement treatments from slurry seal to major rehabilitation and/or reconstruction. Street selection are determined from the City's Pavement Management System. \$200,000 for pothole patching is included.

STREET IMPROVEMENT PROJECTS

NUMBER	PROJECT TITLE	PROPOSED	ESTIMATED ANNUAL MAINTENANCE COST
311-4047	Dixon Landing Road/I-880 Interchange	\$ 100,000	\$ 6,000
311-4170	Hwy 237/I-880 Interchange	400,000	0
311-4202	Calaveras Blvd. R/R Overcrossing Sidewalk Improvements	650,000	0
311-4227	Gateway Signs Project	30,000	1,000
311-4237	Traffic Management Enhancements 2007	50,000	0
311-4238	Traffic Signal Modifications 2007	80,000	0
391-8164	BART Extension Coordination and Planning	100,000	0
391-8187	* Carlo St & Calaveras Blvd Ramp Conversion Study	250,000	0
311-4240	* Clean & Safe Streets	75,000	500
311-4241	* Street Light & Signal Pole Painting 2008	170,000	0
311-4242	* Annual Street Resurfacing Project 2008	1,400,000	0
	TOTAL COST	<u>\$ 3,305,000</u>	<u>\$ 7,500</u>

AVAILABLE FINANCING SOURCE

Street Fund	\$ 1,980,000
RDA Tax Increment	765,000
1997 RDA Tax Allocation Bond	550,000
Water Fund	5,000
Sewer Fund	5,000
	<u>5,000</u>
TOTAL AVAILABLE	<u>\$ 3,305,000</u>

NOTE: Asterisk (*) indicates new projects.

WATER IMPROVEMENT PROJECTS

The Water Improvement category includes continued funding of several existing projects as follows:

Project Number-Name

Description

7100-Water System Seismic Improvements

Provides seismic upgrades to the City's water system at key locations throughout the City, which include water lines in near proximity of geologic faults and areas subject to liquefaction. The design and construction phase schedule will use the priority list from the completed 2006 study report.

7101-Gibraltar Reservoir & Pump Station

Provides for equipment upgrades to pumps and station improvements. The station and reservoir are vital to the daily water system operations and the reservoir is source of emergency water during service interruptions.

7103-Minor Water Projects 2007

Provides for the analysis and implementation of various water projects which arise during the year.

WATER IMPROVEMENT PROJECTS

NUMBER	PROJECT TITLE	PROPOSED	ESTIMATED ANNUAL MAINTENANCE COST
401-7100	Water System Seismic Improvements	\$ 650,000	\$ 0
401-7101	Gibraltar Reservoir & Pump Station	1,800,000	0
401-7103	Minor Water Projects 2007	90,000	0
	TOTAL COST	<u>\$ 2,540,000</u>	<u>0</u>

AVAILABLE FINANCING SOURCE:

Water Fund	<u>\$ 2,540,000</u>
TOTAL AVAILABLE	<u>\$ 2,540,000</u>

NOTE: Asterisk (*) indicates new projects.

SEWER IMPROVEMENT PROJECTS

The Sewer Improvement category includes continued funding of an existing project as follows:

<u>Project Number-Name</u>	<u>Description</u>
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6101-Venus Pump Station	
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	This project involves the complete renovation of this existing sewer lift station, located at Capitol Ave/Venus Way, the Pines neighborhood. The work includes the replacement of two pumps, upgrades of the electrical controls and installation of an electrical transfer switch, so an emergency generator can power the lift station when needed.
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SEWER IMPROVEMENT PROJECTS

NUMBER	PROJECT TITLE	PROPOSED	ESTIMATED ANNUAL MAINTENANCE COST
451-6101	Venus Pump Station	\$ 150,000	\$ 5,000
	TOTAL COST	\$ 150,000	\$ 5,000

AVAILABLE FINANCING SOURCE:

Sewer Fund	\$ 150,000
TOTAL AVAILABLE	\$ 150,000

NOTE: Asterisk (*) indicates new projects.

STORM DRAIN IMPROVEMENT PROJECTS

The Storm Drain Improvement category includes continued funding of existing projects and a new project as follows:

Project Number-Name

Description

4224-Abbott Avenue Storm Drain Improvements

Provides for a new 36-inch storm drain pipeline from Redwood Avenue to Curtner Lagoon to improve flood protection in the Manor area.

4239-Minor Storm Drain Projects 2007

Provides for the analysis and implementation of various minor modifications and improvements to the existing storm drain system.

8188-Storm Pump Station Improvements

Provides for the exterior painting and floor coating of Wringley Ford, McCarthy, Oak Creek, Bellew, Murphy Ranch, California Circle, Penitencia, Jurgens, and Abbott Storm Pump Stations. The project work also includes minor renovations of mechanical and electrical systems.

STORM DRAIN IMPROVEMENT PROJECTS

NUMBER	PROJECT TITLE	PROPOSED	ESTIMATED ANNUAL MAINTENANCE COST
311-4224	Abbott Avenue Storm Drain Improvements	\$ 110,000	\$ 0
311-4239	Minor Storm Drain Projects 2007	10,000	0
391-8188 *	Storm Pump Station Improvements	50,000	0
	TOTAL COST	<u>\$ 170,000</u>	<u>0</u>

AVAILABLE FINANCING SOURCE:

RDA Tax Increment	50,000
Street Fund	120,000
	<u>170,000</u>
TOTAL AVAILABLE	<u>\$ 170,000</u>

NOTE: Asterisk (*) indicates new projects.

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ESTIMATED REVENUES

Property Tax, Current	30,055,000
Use of Money & Property	3,629,000
Other Revenue	<u>75,000</u>
Total Estimated Revenues	33,759,000

Other Financing

(Increase) Decrease in Fund Balance	6,236,145
Operating Transfers In	
General Fund	100,000
Public Art Fund	25,000
Street Improvement Fund	5,000
Water Maintenance and Operation Fund	5,000
Sewer Maintenance and Operation Fund	5,000
Operating Transfers (Out)	
Operating Cost reimbursement to General Fund from Housing Reserve	(1,100,655)
Operating Cost reimbursement to General Fund from RDA Projects	(5,220,847)
Public Improvement Purchase	(6,000,000)
Street Improvement Fund Projects	(980,000)
Public Art Fund	<u>(325,000)</u>
TOTAL ESTIMATED REVENUES AND OTHER FINANCING SOURCES	<u>26,508,643</u>

ESTIMATED EXPENDITURES

Salaries & Wages	1,698,053
Services & Supplies	<u>6,204,590</u>
Total Operating Costs	7,902,643

Capital Projects

391-8164	Bart Extension Coordination and Planning	100,000
391-8174	Range Lead Containment System	40,000
391-8182	City Building Improvements	500,000
391-8183	Corporation Yard Canopies	600,000
391-8184	In-ground Water Clarifiers	175,000
391-8185	Midtown EIR Amendment	150,000
391-8186	Public Art Improvements	25,000
391-8187	Carlo St & Calaveras Blvd Ramp Conv	250,000
391-8188	Storm Pump Station Improvements	50,000

Total Capital Projects	1,890,000
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Debt Service

03 Tax Allocation Bonds	12,716,000
Contractual Obligation to County for Land	4,000,000

Total Debt Service	16,716,000
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Budgeted Appropriations	<u>26,508,643</u>
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FUND BALANCE:

Fund Balance 7/1	110,762,224
Increase (Decrease) in Fund Balance	(6,236,145)
Fund Balance 6/30	<u>104,526,079</u>

Reserved	52,995,000
Unreserved, Designated for CIP	6,000,000
Unreserved, Designated for Housing	12,689,911
Unreserved undesignated	32,841,168

Fund Balance 6/30	<u>104,526,079</u>
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BUDGET AND BUDGETARY ACCOUNTING

What is the City Budget?

Every year the City Council adopts a Budget and Financial Plan for the next fiscal year, (the City's fiscal year runs from July 1 of one year through June 30 of the next year). The Budget is the City's business and financial plan for the year.

The two purposes of the Budget are: (1) to set goals, objectives, and service levels for the City to meet during the next year (thus insuring the provision of City services to Milpitas residents); and (2) to estimate and allocate the money the City will take in and spend during the year.

In many ways the City's Budget is like a household budget. Every year we sit down and estimate what we think our income will be for the coming year, and make plans on how to spend and save this income. There are some key differences, however, between the City and a household budget. Our income (called revenue) can fluctuate substantially within a given year or from year to year. It is not like having a known paycheck to spend or save. There are very few sources of income over which the City has direct control. For example, we have no control over property tax revenue; it can fluctuate depending on the number of homes sold in the community and the amount of building activity. The level of building activity also impacts other sources of revenue such as building permit fees. These are revenues that have a somewhat direct relationship with the general state of our economy. The economy also affects another major source of income -- sales tax -- which depends on the amount of goods people buy in our community.

We have a little more certainty and control over how much money we spend, but even that has some impacts and restrictions which reduce our flexibility. The federal government and state government require we make additional expenses, such as Medicare contributions and required methods of compensating for overtime mandated by federal law. In addition, we do not, in most cases, have the ability to stop doing things simply because we do not have the income. Police and fire protection are good examples. Even if revenue decreases substantially, we still need to be able to staff the fire stations and provide a minimum level of police patrol services.

It is important to remember that the numbers in the Budget are estimates. Many things happen during the year that impact our income and spending. However, we try to budget as best we can. We try very hard to estimate revenues realistically but also conservatively enough to insure that there are adequate funds to meet our needs. We also budget a contingency reserve each year to meet unanticipated expenses, and we maintain adequate reserves to protect us from future unknowns. As a "rule of thumb", we try to maintain an unallocated, or unbudgeted, reserve in the general fund that is at least 15% of the general fund operating budget.

What are "Funds"?

The City's Budget is financed by the use of different "funds". A fund can be thought of as a separate bank account used for specific purposes. The **General Fund** is the City's main operating fund used to pay for "traditional" city services such as police and fire protection, administration, street maintenance, and recreation functions. These activities utilize most tax dollars, such as property tax and sales tax, but are also supported by licenses and permits, court fines, and investment earnings. Some activities in the General Fund, such as building inspection and recreation functions, are also intended to be substantially self-supporting through fees for services charged to individuals. In areas where specific benefit for a service can be identified to specific individuals, the City has a policy of charging a fee to offset the cost of providing the service.

Another major group of City funds are called **Enterprise Funds**. These funds are used to account for specific services which are funded directly by fees and charges to users. In Milpitas, Enterprise Funds include the Water Fund and the Sewer Fund. The intent is that these two funds be completely self-supporting and not be subsidized by any general revenue or taxes. The utility bills sent to each household and business in the community charge for the cost of providing water and sewer customer services. These funds are accounted for as if each activity was a separate, independent non-profit business of the City.

Various **Capital Improvement Funds** are also maintained by the City. A capital improvement is usually a large construction project such as the resurfacing of City streets, the development of park land, the construction of an overpass, the installation of a traffic signal, or the acquisition of land and construction or remodeling of a public building. The City's Capital Improvement Funds include the Street Improvement Fund, the Park Fund, the Redevelopment Project Fund, and the Treatment Plant Construction Fund. Water and Sewer capital projects are financed in the respective Enterprise Funds.

Finally, the City maintains **Debt Service** and **Special Revenue Funds**. The former type of fund is used to pay the principal and interest payments associated with retiring bonds that either the City or the Milpitas Redevelopment Agency has issued. The latter funds set aside special revenue, such as Housing and Community Development federal revenue, which is restricted in its use.

How is the Operating Budget Prepared?

The **Proposed Budget and Financial Plan** is prepared each year by staff, detailing what will be necessary to provide City services for the upcoming year, identifying various department objectives and significant policy issues for Council direction. After delivery of the Proposed Budget to the Council, the City Council holds public budget hearings in May to provide the public with the opportunity to make any comments or suggestions regarding the Budget. The City Council then adopts the Proposed Budget as it may be amended during the budget hearings. A Final Budget is subsequently adopted, formally incorporating in a single document the changes that were directed during the budget hearings.

The proposed budget document is prepared to insure that the spending authority proposed carries with it an anticipated level of service. The budget process is designed to integrate the managerial task of planning with the quantitative task of presenting expenditure requests for approval. The process assumes that individual managers have the most insight into their own operations and, therefore, should be the ones to identify and support the various alternative levels of service they are able to provide as well as the costs of those levels.

How is the Capital Improvement Program Budget Prepared?

The **Five-year Capital Improvement Program Budget** is prepared each year, in a process that parallels the preparation of the Operating Budget (as shown in the Budget Preparation Timeline included in this Appendix).

Departments are asked to submit a comprehensive prioritized list of all of their Capital Improvement Program (CIP) projects. CIP projects are prioritized using the following categories (listed in priority order): mandatory or committed projects, health and safety projects, maintenance of existing capital assets or systems, major service equipment replacement, projects which avoid future additional costs, studies and analyses, enhance economic development and improve the quality of life. The Finance Department and the Engineering Division work closely in the funding analysis phase of the CIP process to determine which project will proceed and which projects may be accelerated or delayed. Unlike the Operating Budget,

before the CIP Budget can be submitted to the City Council it must first be submitted to the Planning Commission. If the Planning Commission finds the CIP in conformance with the General Plan, the Parks projects are then submitted to the Parks, Recreation and Cultural Resource Commission for their approval.

After delivery of the Preliminary Report to the Council, the City Council holds public budget hearings in May to provide the public with the opportunity to make any comments or suggestions regarding the CIP. The City Council then adopts only the first year of the Five-year Capital Improvement Program Budget as it may be amended during the budget hearings. A Final Capital Improvement Program Budget is subsequently adopted, formally incorporating the changes that were directed during the budget hearings into a single document.

Budgets and Budgetary Accounting

The City's budget is adopted on a basis consistent with generally accepted accounting principals (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase, and capital project expenditures are budgeted on a project length basis.

The City and the Redevelopment Agency adopt an annual Operating Budget and Financial Plan on or before June 30th each year. The City and the Agency follow these procedures in establishing the budgetary data reflected in their financial statements:

- On or before June 14, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and identified financing means.
- Public budget hearings are conducted to evaluate the proposed budget and seek public input.
- Prior to July 1, the budget, as may be amended, is adopted by the City Council and Agency Members.
- A final budget document which summarizes the adopted budget is formally enacted, within 90 days, by resolution of the City Council and the Agency Members.
- The City Manager is authorized to transfer budgeted amounts within departments within a fund. The City Manager has limited discretion to appropriate funds in an aggregate amount not to exceed the equivalent of 1% of the General Fund budget.
- Budgeted amounts are as originally adopted, or as amended by the City Council or the Agency Members. Budget amendments made during the year are not material in relation to the original appropriations.

The legal level of budgetary control is exercised at the departmental level for those funds which have annually adopted budgets: General Fund, Special Revenue Funds and Capital Projects Funds.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds and Capital Projects Funds. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through the various bond indenture provisions.

Appropriations automatically lapse at the end of the fiscal year unless an encumbrance exists, with the exception of balances remaining in the capital project accounts and grant accounts at the end of the fiscal year. These balances are carried forward to the following fiscal year until the project is completed.

Prop 4 – Appropriations Limit

The City establishes an appropriations limit by resolution, each year during the budget process, which commences after the beginning of each fiscal year. The appropriation base is adjusted each year by changes in population, cost of living and transfers of financial responsibility.

Budget Amendments

The operating budget is subject to supplemental appropriations throughout its term in order to provide flexibility to meet changing needs and conditions. The procedure for amending budgets depends on the type of change that is needed. One type of change does not affect the “bottom line” total for a department. These changes, mainly transfers from one-line item to another within a department’s operating budget or changes between two divisions within a department, may be effected by preparing a budget change form for the City Manager’s authorization.

The second type of budget amendment brings about a change in the total appropriation for a department or fund. Examples of these changes include but are not limited to:

- the acceptance of additional grant money which might become available;
- changes providing for increases in permanent personnel or changes in classification for personnel from the number of positions approved in the Budget;
- the appropriation of additional funding if expenditures are projected to exceed budgeted amounts; or
- the reappropriation of monies from one fund to another when deemed necessary.

These types of changes would require City Council and/or Redevelopment Agency approval in the form of a budget appropriation.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements, regardless of the measurement that is applied. All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. Fund revenues are recognized when they become measurable and available as net current assets. Measurable means the amount of the transaction can be determined and available means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Those revenues susceptible to accrual are property and sales taxes and interest revenue. Forfeitures, licenses, permits, and miscellaneous revenue are not susceptible to accrual because they are not measurable until received in cash. Revenues not considered earned but received are accounted for as revenue collected in advance.

Expenditures are also generally recognized under the modified accrual basis of accounting. An exception to this rule is principal and interest on general long-term debt, which is not recognized by debt services funds until it is due. Financial resources usually are appropriated in funds responsible for repaying debt for transfer to a debt service fund in the period in which maturing debt principal and interest must be paid.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Revenues for services provided but not billed at the end of the fiscal year are not material and are not accrued.

Use of Cost Accounting

The City uses cost accounting to determine the proper allocation to recover costs for services provided. For each City service or program, in addition to direct staff support and appropriations for supplies and services, it also receives support from the administrative staff and benefits from centralized services such as building occupancy and equipment maintenance. These indirect costs (also known as administrative and overhead costs) need to be allocated to each major service or program in order to determine the full cost of providing City services. Similarly, the centralized service costs also need to be allocated to various operating funds. Centralized service costs are typically budgeted and advanced by the General Fund. Cost allocation is necessary to ensure that each of these operating funds share the administrative and overhead costs equitably. In FY 2006-07, the City conducted an updated Cost Allocation study to calculate the percentage of costs that should be allocated to each major program and major operating fund. The results from the study were applied to the Proposed FY 07-08 Budget. A summary Internal Cost Allocation Schedule showing the cost allocation by fund for FY 07-08 can be found on pages 88-89 of this document.

How Can I Learn More?

We hope that this brief introduction to the Budget has been helpful. You can learn a great deal more by reading this document. We have also included a glossary of terms in the Appendix section of this Budget to help you better understand some of the common jargon. If you would like additional information about the Budget, or have ideas on how we can make the Budget more understandable and informative, please contact the Director of Financial Services at (408) 586-3145.

FUND DESCRIPTIONS

The basic accounting and reporting entity for a City is a fund. A fund is “an independent fiscal and accounting entity used to record all financial transactions related to the specific purpose for which the fund was created”. Funds are established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Funds used in government are classified into three broad categories: governmental, proprietary and fiduciary. Governmental funds include activities usually associated with a typical state or local government’s operations (public safety, general government activities, etc.). Proprietary funds are used in governments to account for activities often found in the private sector (utilities, stadiums, and golf courses are prime examples). Trust and Agency funds are utilized in situations where the government is acting in a fiduciary capacity as a trustee or agent. The various funds are grouped in fund types and categories as follows:

Governmental Funds

Government Funds include activities usually associated with the governmental entities’ operations (police, fire and general government functions).

General Fund -- The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources for this Fund are sales taxes, property taxes, unrestricted revenues from the State, fines and forfeitures and interest income. Expenditures are made for general government activities, public safety, most street work and the other services described above.

Special Revenue Funds -- Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

- **Public Art Fund** - was established to account for construction or acquisition of public art to expand opportunities for the City of Milpitas’ citizens to experience public art and enhance the quality of life in the community. The city dedicates 1.5% of eligible projects within the annual Capital Improvement Project expenditures to the acquisition and installation of public art. The expenditures will include, but not limited to, the cost of public art, its installation, maintenance and repair of artwork funded by this fund.
- **Gas Tax Fund** - was established to account for the construction and maintenance of the street system in Milpitas. Financing is provided by the City’s share of state gasoline taxes.
- **Housing and Community Development Fund** - was established to account for community development block grants and expenditures.
- **Law Enforcement Services Fund** - was established to account for the proceeds from the sale of assets which were seized in connection with drug related arrests made by the Allied Agency Narcotic Enforcement Team (AANET) of Santa Clara County and federal asset forfeiture funds received through the Equitable Sharing program. Shared funds must be used only for specified law enforcement purposes; funds are to be used to augment law enforcement budgets, not supplant them. This fund also accounts for the Supplemental Law Enforcement Services grant and expenditures.
- **Solid Waste Reduction and Services Fund** - was established to account for landfill tipping fees allocated by Santa Clara County. The County allocates a fee of \$1 per ton to each City to be used in relation to the State of California Waste Reduction Act. Revenue is used for the implementation of future waste reduction programs to meet the future State required landfill deposits percentage reduction. The fund also accounts for special charges built into garbage rates specifically for

community promotions and household hazardous waste activities. These activities support the City's ongoing efforts to meet State mandates to reduce waste.

- **Lighting and Landscape Maintenance District Fund** - was established to account for assessments within a district. Revenue is used for servicing and maintaining the public landscaping and additional lighting for the district.
- **Housing Reserve Fund** - was established by the Redevelopment Agency of the City of Milpitas to account for tax allocations set aside for the purpose of increasing or improving the City's supply of low or moderate income housing.

Debt Service Funds -- Debt Service Funds are used to account for financial resources to be used for the payment of principal and interest on governmental fund long-term debt. The City has the following outstanding bonds: 2003 Tax Allocation Bond and 2006 Certificates of Participation.

Capital Projects Funds -- Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

- **Redevelopment Project** - was established to account for the financing and construction activities in the redevelopment project areas.
- **Street Improvement Fund** - was established to account for the construction and maintenance of the street system in Milpitas. Financing is provided through State and federal grants.
- **General Government Fund** - was established to account for the construction and maintenance of community improvements. Capital projects previously accounted for in the General Fund has been incorporated in this fund.
- **Park Improvement Fund** - was established to account for the construction and maintenance of City parks. Financing is provided by a special parks improvement fee imposed on developments.

Proprietary Funds

Enterprise Funds -- Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the City is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City operates the Water Utility and Sewer Utility enterprise funds.

- **Water Utility Fund** - was established to provide water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, and billing and collection.
- **Recycled Water Utility Fund** - was established to provide recycled water services to the businesses within a specific area of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, and billing and collection.
- **Sewer Utility Fund** - was established to provide sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, financing and related debt service, and billing and collection.

Internal Service Funds -- Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

- **Equipment Management Fund** - was established to finance and account for the replacement of equipment used by City departments on a cost reimbursement basis.

Fiduciary Funds

Agency Funds -- Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments.

- **Employee Deferred Compensation Plan** - was established to account for accumulated employee funds withheld and invested as provided by the Plan.
- **LIDs Fund** - was established to account for debt service reserves of Local Improvement Districts (LID) for which the City acts as administrator and paying agent. The City is not obligated for the debt issued by the LIDs.
- **Employee Benefit Fund** – was established to account for self-insured employee dental plan, short-term disability plan and MOU contractual agreements.
- **Senior Advisory Commission Fund** – was established to account for the fund raising activities of the Commission.

REVENUE DESCRIPTIONS

The City of Milpitas provides many services to its residents such as Police, Fire, Parks, Recreation, etc. These services are not without cost to the taxpayer. It is the task of City Officials to produce the necessary revenue to satisfy the ever-growing demand for local services.

The City of Milpitas receives revenue from many sources to offset the costs of its operations. Revenue is received from sales taxes, property taxes, and many other sources. For each fiscal year, the City's revenues are estimated conservatively and, therefore, actual revenues received often exceed the estimated projections. This section will describe the major revenue sources available to the City. The Summary of Current Revenue by Source will provide a more detailed breakdown of all revenues. The major revenue sources are as follows:

Property Taxes

Property Taxes -- Property tax is imposed on real property (land and permanently attached improvements, such as buildings) and tangible personal property located within the City. The tax comprises one percent of the assessed value of the property. The assessed value of real property appraised by the County Assessor in the 1975-76 assessment role value adjusted after 1975 by a two percent inflation factor per year. When property changes hands or new construction occurs, it is reassessed at its current market value.

Other Taxes

Sales and Use Tax -- Sales and use tax is imposed on retailers for the privilege of selling, at retail, within the City limits. This tax is based on the sales price of any taxable transaction of tangible personal property. The Bradley-Burns Uniform Local Sales and Use Tax Law, adopted in 1955, extends the authority to impose local tax to counties. One percentage point of the sales tax collected by the State Board of Equalization is allocated back to the City for general purposes. This revenue is placed in the General Fund for unrestricted uses.

Franchise Fees -- A Franchise Fee is imposed on various utilities and organizations which permits them to use and operate those facilities within the City. In Milpitas, franchise fees are charged for Electric, Gas, Garbage, Nitrogen Gas and Cable Television franchises.

Business License Tax -- A Business License Tax is imposed on businesses for the privilege of conducting business within the City. Fees are based on bracketed structures according to the type of business. The fee structures are as follows: average number of employees, number of units or rooms, number of vehicles or a flat fee.

Transient Occupancy Tax -- The Transient Occupancy Tax in Milpitas is a ten percent (10%) tax on the cost of a hotel room and imposed on "transients" who occupy a room or rooms in a hotel, inn, motel, tourist home or other lodging facility within the City's limits.

Licenses and Permits

Building Permits -- The City requires that building permits be obtained to ensure that structures meet specific standards as identified in the Municipal Code. The City requires various construction permits for activities such as the installation of electrical and plumbing. The City charges a fee for issuing these permits in order to recover the costs incurred.

Fire Permits -- The Milpitas Municipal code requires permits be obtained and inspections conducted to ensure activities regulated by the fire code meet specific standards for the protection of life, property and the environment. Activities include: high piled combustible storage, hazardous materials, assembly, and life safety inspections of licensed facilities, apartments, and hotels and motels.

Fines and Forfeitures

Vehicle Code and Other Court Fines -- The City receives a portion of all fines assessed, in Milpitas, for infractions of the State of California Vehicle Code and may receive other court fines as directed by the County, State or Federal Courts.

False Alarm Fees -- Currently the Milpitas Municipal Code provides that a property may have three false alarms in a one-year period. Subsequent false alarms, within that period, are assessed a service charge that can increase from \$300 to \$900 depending on the number of alarms.

Booking Fees -- Counties within California are authorized to charge a “criminal justice administrative fee” intended to cover the “reimbursement of County expenses incurred” for booking and processing of arrested persons who are brought to the County jail for booking or detention. In return, Judges may pass along the City’s costs to the offender as part of their court-ordered restitution.

Use of Money and Property

Interest on Pooled Investments -- Interest income is earned as the City invests its idle funds in various investment instruments. The goal of the City regarding investments is to ensure the safety of each investment and maintain liquidity while achieving a fair rate of return - safety, liquidity and yield - in that particular order.

Intergovernmental

Motor Vehicle In-Lieu Tax -- The Motor Vehicle In-Lieu Tax is collected by the State Department of Motor Vehicles through its vehicle registration program in-lieu of a City personal property tax on motor vehicles.

Gas Tax -- The State Gas Tax is derived from State of California taxes on gasoline purchases and is allocated, on a share basis, to cities. The Gas Tax revenues are broken down into Sections 2106, 2107 and 2107.5. Sections 2106 and 2107 funds are restricted to the construction, improvements and maintenance of public streets. Section 2107.5 funds are restricted to engineering costs and administrative expenses with respect to City streets.

Federal, State and County Contributions -- Senior Nutrition fees are one example a County contribution that is reimbursed to the City from the County of Santa Clara for lunches provided to senior citizens.

Miscellaneous Grants --

- Community Development Block Grant - The Housing and Community Development Block Grant (CDBG or HCD) program was designed by the Department of Housing and Urban Development (HUD) to revitalize low and moderate income areas within a city. The use of CDBG funds is restricted by specific provisions and is managed by the Housing and Neighborhood Preservation function.

- Public Safety Grants - The City is currently receiving multiple public safety grants including: Supplemental Law Enforcement Services Grant, Local Law Enforcement Block Grant, and COPs in School grant. Future grant spending will be designated for vehicles, equipment and technology improvements.
- SB90 - The law in the State of California provides for the reimbursement of costs incurred by local agencies for costs mandated by the State. Costs mandated by the State means any increased costs which a local agency is required to incur after July 1, 1990, as a result of any new statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service in an existing program.

Charges for Current Services

Charges for Current Services -- All City's basic service charges are recorded at the department or division levels that are associated with specific governmental and enterprise activities. These service levels are: General Government, Engineering and Planning, Fire, Police, Recreation, Building and Public Works. This is a GASB 34 requirement.

Planning Fees and Sale of Maps and Documents -- Included in these fees are a range of service charges for staff responses to inquiries from the public to review and interpretation of complicated planning and zoning ordinances. Also included are reproduction costs associated with maps and documents from all functions within the organization.

Recreation Fees -- Recreation fees include user program fees for Rainbow Theatre (participation and attendance); preschool, after-school, teen and summer camp programs; swimming lessons; special events and youth and adult recreational classes.

Rents and Concessions -- Rental fees are charged for the private use of City facilities. Rental facilities include the Community Center, Sports Center, Senior Center, the Jose Higuera Adobe and parks throughout the City.

Other Revenues

Development --

- Park Development Fees - The Park Development Fee is paid by a developer or subdivider for park or recreation purposes, in-lieu of the dedication of the land.
- Treatment Plant Fees - Treatment Plant fees are payment for the purchase of waste water treatment capacity rights. The fee is measured in gallons per day, and the higher the usage, the higher the fee. All fees collected are used for Capital Improvement Projects or for Capital Operating Costs at the San Jose/Santa Clara Water Pollution Control Plant or within the City.
- Traffic Impact Fees - A Traffic Impact Fee is an exaction from a developer to mitigate traffic impacts associated with the development of the subject property. These fees can be dictated by ordinance or by documentation in a Traffic Impact Analysis (TIA) and are then conditions of approval for the development.

Reimbursements --

- AVASA - Beginning in 1996, the State of California, through the Abandoned Vehicle Abatement Service Authority, began reimbursing cities for vehicle abatement activities based on a per vehicle cost. The State reimbursement varies from year to year based on the number of vehicles claimed by all participating cities.

Miscellaneous --

- Special Assessments - Local Improvement Districts (LIDs) are established in various parts of the City to provide improvements to properties located in those districts. Properties in the districts are assessed for the cost of improvements; these assessments are payable over the term of the debt issued to finance the improvements and must be sufficient to repay this debt
- Solid Waste - Currently the Solid Waste function has two very different revenue streams. The first AB939 is collected by the County as a Tipping Fee at the Landfill and reimbursed to the City on a quarterly basis. The purpose of this fee is to encourage achievement of the State's landfill reduction goal. The second fee is paid by the solid waste customers, incorporated in user rates, and is specifically earmarked for community education and the Household Hazardous Waste programs.

EXPENDITURE DESCRIPTIONS

Personnel Services

Salaries and Wages

Permanent – Salaries for full time and part time permanent employees.

Temporary – Salaries full time and part time employees who are hired in temporary or substitute basis.

Overtime – Amounts paid to employees for work performed in addition to the normal work period. Hours work in excess of 40 hours per week.

Bonus Pay – Amounts paid in addition to the usual or expected compensation.

Allowances / Leaves

Allowances – Amounts paid to employees who are entitled to allowances such as car, telephone, uniform, special licenses, canine, motorcycle, SWAT, pager and bilingual pay.

Leave CashOut – Amounts paid to employees for hours cashed out from sick or vacation time banks.

Accrued Leave – To record year-end adjustments of accrued vacation according to the Generally Accepted Accounting Principles (GAAP). For ACCOUNTING USE ONLY.

Benefits

P E R S – Amounts contributed to the Public Employees' Retirement System (PERS) plan for its employees.

Group Insurance – City of Milpitas' share of any insurance coverage for its employees such as Medical, Dental, Vision, Life Insurance, Long Term Disability and Short Term Disability.

Medicare-Employer's Contribution – City of Milpitas' share of the Federal Medicare contributions for its employees.

Worker's Compensation – Amount allocated to pay for worker's compensation claims made by employees.

MOU Contractual Agreements – Amounts paid according to negotiated MOU agreements.

Deferred Compensation – Employer Contribution – Contributions made to the employees' deferred compensation plan.

P A R S – Amounts contributed to the Public Agency Retirement System-Alternate Retirement System (PARS-ARS) plan for temporary employees not in the PERS system. This is an alternative to the Social Security System.

Adjustments – Payroll

Adjustments – Payroll – To record year-end payroll adjustments in accordance to the Generally Accepted Accounting Principles (GAAP), i.e., Accrued Payroll which reflects salaries and wages earned by employees as of June 30 but not paid until July. FOR ACCOUNTING USE ONLY.

Vacancy Factor – Budget amount to account for vacant positions.

Charged to CIPs – Budget amount to account for payroll costs that will be charged to the Capital Improvement Projects.

Overhead – PJs contractual Labor and Payroll – A charge made to a developer account or the Redevelopment Agency to defray the direct and indirect overhead costs associated with an employee performing duties or providing services to the fund or account charged.

Reduced Funding – Budget amount to account for reduced funding.

Services and Supplies

Community Promotions, Grants and Loans

Community Promotions – Public relations activities that are aimed to contribute to the progress or growth of the community.

Community Promotions CC Allocated – Public relations activities for progress or growth of the community allocated by the CITY COUNCIL.

Community Promotions CC Unallocated – Public relations activities for progress or growth of the community not yet allocated by the CITY COUNCIL.

Cultural Arts Grants – Financial assistance provided for Cultural Arts programs or activities.

Miscellaneous Grants – Financial assistance provided for miscellaneous grant programs.

Sports Grants – Financial assistance provided for Sports programs or activities.

Housing Rehab Loans – Amount loaned to homeowners for housing rehabilitation purposes under the Community Development Block Grant (CDBG) program.

CDBG Grants – Payment to subrecipients of CDBG Grants.

Miscellaneous Loans – Loans other than for housing rehabilitation purposes under the CDBG program.

Department Allocations

Equipment Replacement Amortization – Department's share of the fund being set aside for the purpose of replacing equipment in the Equipment Replacement Program.

Supplies

Generally, these are items that are consumed.

Office Supplies – Purchased for office use. Examples are pen, folders, drinking water, and coffee.

Departmental Supplies – Items that are used for the programs of the department. Examples are food for the Senior Center, sports supplies for the Recreation Department, target supplies for the Police Department, and tools for Public Works.

Maintenance Supplies – Used for repairs and maintenance of equipment or building. Examples are bolts, screws, nails, janitorial supplies, etc.

Health & Safety Supplies – Used for health and safety purposes. Examples are goggles, safety shoes, hard hats, gloves, first-aid kits, VDT glasses, etc.

Services

Generally, amount paid for services rendered by organization or personnel not on the payroll of the City of Milpitas. Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

Advertising – Costs of media services and associated costs. Media advertising includes magazines, newspapers, radio and television programs, direct mail, exhibits, and the like. Examples are advertising for such purposes as personnel recruitment, legal ads, new and used equipment and sale of property, and City Clerk notices of meetings.

Blueprinting – Usually are services provided to blueprint the engineering plans.

Contractual Services – Services rendered by organizations or personnel not on the payroll of the City of Milpitas under a contract or an agreement. Payment of fees to contractors to acquire license or permits for the City of Milpitas should be recorded in this account. NOTE: Copier charges should be paid from this account.

Contractual Services-PJ's Labor – Rendered by organizations or personnel not on the payroll of the City of Milpitas under a contract or an agreement for its Private Jobs (PJ). Examples are carpentry,

painting, and other labor for the City's Private Jobs.

Audit Fees – Professional services provided by Certified Public Accountants (CPA) firms for the purpose of auditing the City's financial statements. Example is the Comprehensive Annual Financial Report.

Street Sweeping – Includes sweeping and washing streets, flushing gutters and underpasses and collecting and disposing of debris from streets and public roadways.

Repair & Maintenance – Repair and maintenance services provided by personnel not on the payroll of the City of Milpitas. This includes repair and maintenance of the City's buildings and equipment. Examples are vehicular, equipment, and/or facilities repair and maintenance. Cost of warranty obtained after the original equipment warranty expired or any warranties obtained after the purchase of the equipment should be recorded to this account. Annual maintenance agreement or contract on equipment should be recorded here.

Rents and Leases – Costs for renting or leasing land, buildings, equipment and vehicles for either temporary or long range use by the City of Milpitas. Agreement should not have an option to buy or to acquire ownership at the end of the lease term. (Please see Capitalized Leases, also).

Contributions to Non-City owned Capital Assets – Costs incurred in capital improvement projects that the City does not have the ownership of the property. These costs generally incurred by the City for the benefits of the residents in Milpitas but the property is owned by another government agency. For example, the City spent money to improve the I880/237 intersection to improve the quality of life for local residents, but the City does not own the intersection. CalTrain owns the intersection. For ACCOUNTING USE ONLY – GASB 34.

Legal Services

Retainers and Fees – Fees paid to engage the services of a professional adviser as an attorney.

ABAG Attorney's Fees – Fees paid to Associate Bay Area Government (ABAG) attorney.

ABAG Settlements – Costs paid to ABAG for settling insurance claims.

Litigation – Costs incurred to settling litigation or lawsuits. This should include costs incurred during legal proceedings.

Elections

Elections – Includes expenditures for holding general primary and special elections.

Communications

Communications – Except the categories below, any services provided by persons or businesses to assist in transmitting and receiving messages or information.

Phone-Local – Basic monthly telephone charges.

Computer Data Lines – Charges for computer data lines services such as internet user's fees and charges, T1 line monthly charges, and web site charges, if any.

Phone-Long Distance – Long distance telephone charges.

FAX – Fax line fees and charges.

Pagers – Pagers monthly fees.

Cellular Phones – Fees and charges associated with cellular telephones.

Fire Alarms – Fees and charges for usage and maintenance of fire alarm lines.

Police Alarms – Fees and charges for usage and maintenance of police alarm lines.

Utilities

Utilities – Expenditures for energy except gas, electric and water. Examples are bulk oil normally used for heating, and bulk gasoline or diesel purchase for non-transportation use. Gasoline or diesel purchased for transportation purposes should be charged to account 4223 departmental supplies.

Utilities-Gas – Gas purchased from a public or private utility company for the City of Milpitas facilities consumption.

Utilities-Electric – Electricity purchased from a public or private utility company for the City of Milpitas facilities consumption.

Utilities-Water – Water purchased for the City of Milpitas facilities consumption. Drinking water bottles purchased should be charged to account 4221 Office Supplies.

SFWD, Wholesale Water Purchase – Water purchased from San Francisco Water Department (SFWD) for resale to the residence and businesses being served by the City of Milpitas.

SCVWD, Wholesale Water Purchase – Water purchased from Santa Clara Valley Water District (SCVWD) for resale to the residence and businesses being served by the City of Milpitas.

Recycled Water Purchase – Purchased for resale to the businesses being served by the City of Milpitas. For irrigation use only.

Treatment Plant, Capital – City of Milpitas share of the Water Pollution Control Plant-Capital Improvement Program paid to City of San Jose.

Treatment Plant, M & O – City of Milpitas waste water treatment fees paid to City of San Jose – Maintenance and Operation.

Memberships, Training and Travel

Membership and Dues – Amount paid for an employee or group of employees of the City of Milpitas to be a member of an organization.

Professional Licensing – Fees paid for an employee of the City of Milpitas to acquire or renew a license or permit in order for him/her to exercise his/her profession. Examples are CPA and Civil Engineer licenses.

Training/Registration – Fees paid for a City of Milpitas employee to enroll or attend a seminar, workshop, and/or training class.

Lodging/Travel – This is the actual amount paid for a place to stay while a City of Milpitas employee is conducting out-of-the-office business (e.g. hotel accommodation). Airfare and other transportation expenses, except use of own vehicle, such as shuttle to airport and hotel, and car rental are recorded in this account. This is associated with approved travel request.

Meals for Meetings – Expenses incurred to provide food in conducting department and/or business meetings. Restaurant meals eaten off site must be approved in advance according to the SOP 8-1.

Per Diem – Specified daily meals, incidental expenses, and/or lodging allowance in lieu of actual meal(s), and/or lodging expenses incurred while conducting out-of-the-office business. This is associated with approved travel request. Per Diem rates vary according to your business destination. City of Milpitas' per diem rates are according to the Maximum Federal Per Diem Rates for Travel in Continental United States (CONUS). Please call the Accounting Services Division or refer to the current IRS Publication 1542 for the appropriate per diem rates of your business destination.

Mileage Reimbursement and Parking – Payment to an employee for the use of his/her vehicle to conduct out-of-the-office business including parking costs. According to the City of Milpitas SOP 6-1, Section 2d, "Mileage reimbursement shall be at the rate as set by the Internal Revenue Code and shall be reimbursed for the distance between home and destination or work and destination, whichever is less." Please call the Accounting Services Division or refer to the current IRS Publication 535 for the mileage rate.

Tuition Reimbursement – Amount reimbursed by the City of Milpitas to any employee qualifying for tuition reimbursement, based upon the City's policy. Please refer to the Memorandum of Understanding of each bargaining unit.

Commissions and Boards

Conference Expenses – For COMMISSIONS and BOARDS USE ONLY. This is for conference related expenses.

Non-Conference Expenses – For COMMISSIONS and BOARDS USE ONLY. This is for non-conference related expenses.

Insurance and Settlements

Liability – Payments of insurance premiums for general liability coverage, public official bond, administrative and property coverage.

Uncollectible Accounts

Uncollectible Accounts – Portion of a receivable not expected to be collected. For ACCOUNTING USE ONLY.

Collection Fees – Fees paid to a collection agent (bureau) for collecting monies owed the City from unpaid receivables. The fees are usually based on a percentage of the collected total amount.

Depreciation and Amortization

Depreciation & Amortization – Depreciation is the portion of the cost of a fixed asset charged as an expense during a particular period. Amortization is the portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. For ACCOUNTING USE ONLY.

Contingent Reserve

Contingent Reserve – Items that may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, unsettled disputed claims. Includes reserve 1% of the General Fund Budget per the budget resolution, adjusted annually. For ACCOUNTING USE ONLY.

Loss on Sale

Loss on Sale – Records the loss incurred on sale of property or equipment. ACCOUNTING USE ONLY.

Adjustment – Service and Supplies

Reduced Funding – Budget amount to account for reduced funding.

Debt Service

Principal

Expenditures for periodic principal maturities of general obligation bonds or payments of principal on general long-term debt other than bonds.

Retirement of Principal – Payments of Bond Principal.

Principal – COP – Payments of Bond Principal – Certificate of Participation.

Principal – Advance – Payments of other debt principal – Advanced fund.

Interest

Periodic interest on general obligation bonds or interest payments on general long-term debt other than bonds.

Interest Expense – Bond interest payments.

Interest – COP – Bond interest payments – Certificate of Participation

Interest – Advance – Other debt interest payments-Advanced fund.

Contractual Obligation

Fiscal Agent's fees are payments made to financial institutions for services rendered in paying interest and redeeming debt at maturity.

Cost of Issuance – Payments to bond underwriters, legal fees and other costs associated with bond issuance.

Premium-Bond Prepayment

Premium-Bond Prepayment – Fees (redemption premium) paid for early bond call (bond or any portion of its principal redeemed and paid in advance of maturity).

Capital Outlay > \$5,000

Items to be recorded to the object and detail codes under this category should have acquisition cost of *\$5,000 or more per unit* and have a useful life of two or more years. Acquisition cost means the net invoice unit price of an item including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges such as taxes, duty, protective in-transit insurance, freight, and installation; and, extended warranties when purchased at the time of the equipment can be included in the acquisition cost. Please see FIXED ASSETS INVENTORY CONTROL and CAPITALIZATION POLICY, also.

Capital Outlay

Capital Outlay – Expenditures for the acquisition or construction of major capital facilities that do not fall under any of the Capital Outlay > \$5,000 categories. This is usually the accumulation of the Capital Improvement Project's (CIP) expenditures by phase. Though CIPs expenditures are coded in detail, the result rolls up to this account by phase.

Land

Land – Purchase price plus legal and title fees, professional fees, surveying fees, site preparation cost, and/or any cost incurred to place land in condition for its intended use.

Land Improvements

Land Improvements – Permanent improvements, other than buildings, that add value or useful life to land. Examples are parking lot, fence and gates, retaining walls, fountains, swimming pools, tennis courts, trails and paths.

Buildings and Improvements

Buildings and Improvements – Permanent structures purchased or otherwise acquired by the City. Includes the principal amount of capital lease payments resulting in the acquisition of the building. Payments to building authorities or similar agencies are not to be included in the acquisition cost. The category includes improvements to buildings owned by the City of Milpitas. Examples are additional installation of heating and ventilating systems, and installation of fire protection system.

Infrastructure

Infrastructure – Public domain capital assets includes roads, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, landscape systems, storm systems and traffic systems.

Vehicles

Vehicles – Equipment used to transport persons or objects. Cost includes transportation charges, sales tax, installation costs and extended maintenance or warranty contracts, if purchased at the same time of the equipment. Examples are police cars, fire trucks, and maintenance trucks. Accessories and installation costs can be included if done during the purchase or within 30 days after the purchase of the vehicle.

Capitalized Leases

Capitalized Leases – Principal lease payments for land, building, and/or equipment that will be acquired or subject for ownership within the term of the lease or at the end of the lease. Once acquired, it will be reclassified as land, building, or equipment. Lease contract usually has a clause indicating the option to buy.

Machinery and Equipment

Machinery and Equipment – Any single machinery or equipment except vehicles and computer hardware and software, with an acquisition cost of \$5,000 or more per unit and have a useful life of two or more years. Examples of machinery and equipment are printing press, lathe machines, drill presses and movable generators.

Computer Hardware – Example is a server.

Computer Software – Examples are the Accounting Software being utilized by the City of Milpitas Finance Department and the Best Fixed Assets system.

Furniture and Fixtures

Furniture and Fixtures – Office furniture and building fixtures.

Adjustments – C I P

Adjustments – CIP – Account being used to record year-end CIP adjustments in accordance to the Generally Accepted Accounting Principles (GAAP) to reclassify CIP capital expenditures to the Fixed Assets.

Capital Outlay < \$5,000

In addition to the fixed asset categories above, the City of Milpitas performs a risk assessment on City assets to identify those at risk or vulnerable to loss. Items that have a unit acquisition cost of less than \$5,000 but are vulnerable to loss is to be recorded to the following detail codes. Items that are not falling under the categories below should be charged to supplies categories.

Office Furniture and Fixtures

Office Furniture and Fixtures – Examples are chair, table, dividers and workstations.

Machinery and Equipment

Machinery and Equipment – Examples are fax machines, firearms, weapons, and defibrillators.

Computer Hardware – Examples are desktop computers, laptops, printers, and scanners.

Computer Software – Examples are application and utility programs such as Microsoft Windows programs.

Electronic Equipment – Examples are cell phones, radios, PDAs, digital cameras, VCRs, and televisions.

Hydrants and Meters

Hydrants and Meters – Cost of fire hydrants and water meters.

List of Funds

100	General	340	Storm Drain Development CIP
102	Library	390	Redevelopment Project
104	Cable Rebate	391	Redevelopment CIP
105	Abandoned Vehicle Abatement	392	1997 RDA Tax Allocation Bonds CIP
120	Browning Ferris Holding	393	2000 RDA Tax Allocation Bonds CIP
130	Private Job Developer Deposits	395	2003 RDA Tax Allocation Bonds CIP
211	Hetchy-Hetchy Ground Lease	396	KB Infrastructure
212	Public Art	400	Water Maintenance and Operation
221	Gas Tax	401	Water CIP
235	95-1 Lighting and Landscape Maint. Distric	402	Water Line Extension
236	98-1 Lighting and Landscape Maint. District	406	Recycled Water
250	Housing and Community Development	450	Sewer Maintenance and Operation
251	Housing and Community Dev Loan	451	Sewer CIP
261	Supplemental Law Enforcement Services	452	Treatment Plant Construction
262	State Asset Seizure	455	Sewer Infrastructure Replacement
263	Federal Asset Seizure	456	South Bay Water Recycling
264	Local Law Enforcement Block Grant	500	Equipment Management
266	COPs in School	505	Information Technology Rplcmt
267	Justice Assistance Grant	602	Deferred Compensation
280	Solid Waste Services	618	Local Improvement District #18
281	Solid Waste Reduction	619	Local Improvement District #19
290	Housing Reserve	641	Short Term Disability
291	Housing Reserve 97 TABS	642	Dental Program
310	Street Improvement	643	MSA MOU Contractual Agreement
311	Street CIP	644	Police MOU Contractual Agreement
312	Traffic Impact Fees	645	Police Command Staff Benefits
313	Traffic Congestion Relief	681	LID #18 - Reassessment and Refunding
320	Park Improvement	682	LID #18 - 1998 Bond Series A
321	Park Improvement CIP	683	LID #20 - 1998 Bond Series A
322	Midtown Park Fee	684	LID #21 - Refunding of LIDs #9R & #12R
330	General Government	691	Senior Advisory Commission
331	General Government CIP		
332	2000 Technology COPs		

List of Departments / Divisions/ Function

1 City Manager

- 10 City Council
 - 100 City Council
- 11 City Manager
 - 111 City Manager
 - 114 City Clerk
 - 116 RDA & Economic Development
- 53 Building Inspection
 - 531 Building Inspection Services
 - 532 Plan Checking
 - 533 Building Administration
 - 534 Permit Center

11 Information Services

- 14 Information Services
 - 112 Information Services

12 Human Resources

- 15 Human Resources
 - 115 Human Resources

2 City Attorney

- 12 City Attorney
 - 120 City Attorney

3 Finance

- 30 Finance Administration
 - 300 Finance Administration
- 31 Accounting Services
 - 310 Accounting Services
- 32 Fiscal Services
 - 322 Receivables
 - 323 Utilities
- 33 Purchasing
 - 330 Purchasing

4 Public Works

- 42 Public Works
 - 400 Public Works Administration
 - 421 Street Maintenance
 - 423 Utility Maintenance
 - 425 Trees & Landscape Maintenance
 - 426 Fleet Maintenance
 - 427 Facilities Maintenance
- 41 Engineering
 - 411 Engineering Administration
 - 412 Design and Construction
 - 413 Land Development
 - 415 Traffic Engineering
 - 416 Utility Engineering
 - 417 Special Projects
 - 430 Solid Waste

5 Planning and Neighborhood Services

- 51 Planning and Neighborhood Services
 - 511 Planning & Neigh Svcs Admin
 - 512 Planning
 - 551 Neighborhood Preservation
 - 552 Housing

6 Parks and Recreation

- 44 Parks
 - 424 Parks Maintenance
- 45 Recreation
 - 161 Recreation Administration
 - 162 Senior Citizen Services
 - 163 Preschool
 - 164 Youth Camps and Programs
 - 165 Stay and Play
 - 166 Teens
 - 167 Special Events
 - 168 Cultural Arts
 - 169 Rainbow Theatre
 - 170 General Classes
 - 171 Aquatics
 - 172 Sports and Fitness Classes
 - 173 Adult Sports
 - 174 Volunteer Services

7 Police

- 70 Police Administration
 - 700 Police Administration
- 71 Support Services Bureau/Technical Services
 - 711 Records
 - 712 Training and Personnel
 - 713 Communications
- 72 Operations Bureau/Field Services
 - 721 Patrol Services
 - 722 Traffic
 - 723 Crossing Guards
- 73 Support Services Bureau/Special Operations
 - 714 Community Relations/Youth Services
 - 724 Investigations

8 Fire

- 80 Fire Administration
 - 801 Fire Administration
- 81 Emerg Response & Prep Division
 - 811 Emerg Respse & Prep Div Admin
 - 812 A/B/C Battalion Operations
 - 840 Disaster Prep & Public Education
- 82 Prevention Division
 - 821 Prevention Division Admin
 - 824 Fire Plan Check & Permits
 - 823 Hazardous Materials Regulation
 - 822 Inspection & Investigation

9 Non-Departmental

- 91 Non-Departmental
 - 910 Non-Departmental
- 92 Debt Service
 - 920 Debt Service
- 93 Equipment to be Depreciated
 - 930 Equipment to be Depreciated
- 95 Other Functions
 - 951 Capital Improvement Projects
- 98 Senior Advisory Commission
 - 981 Senior Advisory Commission

List of Revenues**300 Property Taxes**

3010	Property Taxes-Current
3010	Property Taxes-Current
3011	Current-Secured Property Taxes
3012	Current-Unsecured Property Taxes
3531	Property Tax, Supplemental
3020	Property Taxes-Prior
3020	Property Taxes-Prior
3021	Prior-Secured Property Taxes
3022	Prior-Unsecured Property Taxes

3164	Hilton Garden Inn
3165	Homestead Village
3166	Marriott Courtyard
3167	Milpitas Travelodge
3168	Ooh La Lodge
3169	Residence Inn by Marriott
3170	Best Value Inn
3171	Towneplace
3172	Hawthorn Suites

310 Other Taxes

3110	Sales and Use Tax
3110	Sales and Use Tax
3111	.5% Sales and Use Tax
3120	Real Estate Transfer Tax
3120	Real Estate Transfer Tax
3130	Franchise Tax
3131	Electric Franchise
3132	Gas Franchise
3133	Garbage Franchise-Commercial
3134	Garbage Franchise-Non-Commercial
3135	Solid Waste-Community Relations
3136	Solid Waste-Household Haz Waste
3137	Nitrogen Gas Franchise
3138	CATV Franchise
3139	County-wide AB 939 Fees
3140	Business License Tax
3140	Business License Tax
3150	Hotel/Motel Tax
3151	Beverly Heritage
3152	Embassy Suites
3153	Crowne Plaza
3154	Sheraton
3155	Best Western-Brookside
3156	Candlewood
3157	Comfort Inn
3158	Audited TOT
3160	Days Inn
3161	Economy Inns of America
3162	Extended Stay of America
3163	Hampton Inn-Milpitas

320 Licenses and Permits

3210	Building Permits
3210	Building Permits
3211	Plan Check Revisions
3212	After Hour Plan Check
3213	After Hours Inspection
3214	Re-inspection
3215	Dedicated Building Services
3216	Mobile Home Inspections
3220	Fire Permits (Annual)
3220	Haz Mat Const Permits & Insp
3221	Life Safety Const Permits & Insp
3222	Haz Mat Annual Permits & Insp
3223	Fire Penalties
3224	Hazardous Waste Fees
3225	Non-Pt Source Permits & Insp
3240	Life Safety Annual Permits and Insp
3240	Life Safety Annual Permits & Insp
3241	Haz Mat Construction Permits
3250	Fire Inspections
3250	Fire Inspections
3251	Building Standards and Life Safety

330 Fines and Forfeits

3300	Fines and Forfeits
3301	Vehicle Code Fines
3302	Other Court Fines
3304	Hazardous Materials Fines
3305	Booking Fees
3306	NBO Violation Fees
3307	Impound Fees
3308	Animal Violations
3309	False Alarm Fee
3310	Fire Administrative Citation
3311	Building Administrative Citation
3312	Planning Administrative Citation
3321	Urban Runoff Fines

340 Revenues from Use of Money

3430	Investments
3430	Interest Income
3431	Pooled Investments-Interest
3432	Cash with Fiscal Agents
3433	Other Interest Income
3435	Gain on Sale of Investments
3436	Market Value Gain/Loss on Inv

350 Intergovernmental Revenue

3510	In Lieu Tax
3511	Motor Vehicle In Lieu Tax
3512	State Trailer Coach In Lieu Tax
3520	Tax Relief
3521	Homeowners Property Tax Relief
3522	Business Inventory Tax Relief
3530	Tax
3532	Off-Highway Tax
3540	Gas Tax
3545	Section 2105-Gas Tax
3546	Section 2106-Gas Tax
3547	Section 2107-Gas Tax
3548	Section 2107.5-Gas Tax
3550	Federal Contributions
3551	Federal Contrib-General Gov't
3553	Federal Contrib-Building
3554	Federal Contrib-Public Works
3555	Federal Contrib- Eng & Planning

3556	Federal Contrib-Recreation
3557	Federal Contributions-Police
3558	Federal Contributions-Fire
3560	State Contributions
3561	State Contrib-General Gov't
3562	POST Grant
3563	State Contributions-Building
3564	State Contrib-Public Works
3565	State Contrib-Eng & Planning
3566	State Contributions-Recreation
3567	State Contributions-Police
3568	State Contributions-Fire
3569	TDA Grant
3570	County Contributions
3571	County Contrib-General Gov't
3572	S Bay Water Recycling Prog
3573	County Contributions-Building
3574	County Contrib-Public Works
3575	County Contrib-Eng and Planning
3576	County Contrib-Recreation
3577	County Contributions-Police
3578	County Contributions-Fire
3580	Other Restricted Grants
3581	Other Restricted Grants-General
3582	SB90 Grant
3583	Other Restricted Grants-Building
3584	Other Restricted Grants-Pub Wks
3585	Other Restricted Grants-Eng & PI
3586	Other Restricted Grants-Rec
3587	Other Restricted Grants-Police
3588	Other Restricted Grants-Fire
3590	Misc Unrestricted Intergovernmental
3591	Misc Unrestricted Intergov'l
3592	ERAF Refund

360 Charges for Services

3600	General Government
3601	Gen Government Service Charges
3602	Sales of Maps and Documents-GG
3603	Rents, Lease and Concession-GG
3604	B L Processing Fee
3609	PJ Legal Reimbursement

3610	Engineering and Planning Services	3660	Building Services
3611	PJ Overhead Charges	3661	Sales of Documents-Building
3612	PJ Labor Reimbursement	3662	Records Retention Fee
3613	PJ Vendor Reimbursement	3663	Building Service Charges
3614	Assessment for Capital Purpose	3664	Overhead Chgs Reimbursemt
3615	Eng and Planning Service Charges	3670	Public Works Services
3616	Engineering Plan Check Fee	3671	Public Works Service Charges
3617	Planning Fees	3672	Public Works Cost Recovery
3618	Sales of Maps and Documents-EP		
3619	Rents, Lease and Concession-EP		
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3622	Water Service Agreements	3710	Development
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3624	Other Water Sales	3712	Park Development Fees
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3633	Fire Cost Recovery	3720	Special Assessments
3634	Unwanted Alarms-Fire	3721	Special Assessments-Prepayments
3635	Fire Enforcement-Penalties	3730	Recycling
3636	Fire Enforcement-Training	3730	Recycling
3637	Fire Service Charges	3740	Reimbursements
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3641	Police Service Charges	3743	Interest Income
3643	Fingerprints	3744	Advance-Principal Repayment
3644	Sales of Maps & Docs-Police	3745	Advance-Interest Earnings
3645	Police Cost Recovery	3746	HazMat Incidents
3646	Rents, Lease & Concess-Police	3750	Donations
3647	DUI-Police Cost Recovery	3750	Donations
3650	Recreation Services	3760	Developer Contribution
3651	Rents, Lease & Concess-Rec	3760	Developer Contribution
3652	Recreation Fees	3770	Sale of Property, Plant and Equipment
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3654	Sales of Maps & Docs-Rec	3771	Fire Safe Program
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 - 4111 Permanent
 - 4112 Temporary
 - 4113 Overtime
 - 4115 Bonus Pay
- 4120 Allowances/Leaves
 - 4121 Allowances
 - 4124 Leave Cashout
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- 4130 Benefits
 - 4131 PERS
 - 4132 Group Insurance
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 - 4142 Vacancy Factor
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 - 4204 Cultural Arts Grants
 - 4205 Miscellaneous Grants
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 - 4208 CDBG Grants
 - 4209 Miscellaneous Loans
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 - 4211 Equipment Replacement Amortization
- 4220 Supplies
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 - 4223 Departmental
 - 4224 Maintenance
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4230 Services

- 4231 Advertising
- 4232 Blueprinting
- 4237 Contractual Services
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- 4240 Street Sweeping
- 4241 Repair and Maintenance
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4250 Legal Services

- 4252 Retainers and Fees
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4280 Elections

- 4280 Elections

440 Communications and Utilities**4410 Communications**

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- 4412 Computer Data Lines
- 4413 Phone-Long Distance
- 4414 FAX
- 4415 Pagers
- 4416 Cellular Phones
- 4417 Fire Alarms
- 4418 Police Alarms

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- 4422 Electric
- 4423 Water
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- 4425 SCVWD, Wholesale Water
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 - 4501 Memberships and Dues
 - 4502 Professional Licensing
 - 4503 Training and Registration
 - 4505 Lodging and Travel
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 - 4610 Uncollectible Accounts
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- 4640 Contingent Reserve
 - 4640 Contingent Reserve
- 4650 Loss on Sale
 - 4650 Loss on Sale
- 4660 Other Miscellaneous and Corrections
 - 4660 Other Miscellaneous and Corrections

470 Debt

- 4700 Principal
 - 4701 Retirement of Principal
 - 4702 Principal-COP
 - 4703 Principal-Advance
- 4710 Interest
 - 4711 Interest Expense
 - 4712 Interest-COP
 - 4713 Interest-Advance
- 4720 Contractual Obligation
 - 4720 Contractual Obligation
 - 4721 Cost of Issuance

- 4730 Premium- Bond Prepayment
 - 4730 Premium- Bond Prepayment

480 Capital Outlay > \$5,000

- 4800 Capital Outlay
 - 4800 Capital Outlay
- 4810 Land
 - 4811 Land
- 4820 Land Improvements
 - 4821 Land Improvements
- 4830 Buildings and Improvements
 - 4831 Buildings and Improvements
- 4840 Infrastructure
 - 4841 Infrastructure
- 4850 Vehicles
 - 4851 Vehicles
- 4860 Capitalized Leases
 - 4864 Capitalized Leases
- 4870 Machinery and Equipment
 - 4873 Machinery and Equipment
 - 4874 Computer Hardware
 - 4875 Computer Software
- 4880 Furniture and Fixtures
 - 4881 Furniture and Fixtures

490 Capital Outlay < \$5,000

- 4910 Office Furniture and Fixtures
 - 4911 Office Furniture and Fixtures
- 4920 Machinery, Tools and Equipment
 - 4921 Machinery, Tools & Equipment
 - 4922 Computer Hardware
 - 4923 Computer Software
 - 4924 Electronic Equipment
- 4930 Hydrants and Meters
 - 4931 Hydrants
 - 4932 Meters

Abbreviations and Acronyms

AANET	Allied Agency Narcotics Enforcement Team	EPA	Environmental Protection Agency
AB	Assembly Bill	ERAF	Educational Revenue Augmentation Fund
ADA	Americans with Disabilities Act	FBI	Federal Bureau of Investigation
ALS	Advanced Life Support	FEMA	Federal Emergency Management Admin
AMR	American Medical Response	FICA	Federal Insurance Contributions Act
AP	Accounts Payable	FTA	Federal Transit Authority
AR	Accounts Receivable	FTE	Full-Time Equivalent
AVASA	Abandoned Vehicle Abatement Service Authority	FY	Fiscal Year
AWS	Allied Waste Services	GAAP	Generally Accepted Accounting Principles
BAAQMD	Bay Area Air Quality Management District	GASB	Governmental Accounting Standards Board
BART	Bay Area Rapid Transit	GFOA	Government Finance Officers Association
CAD	Computer Aided Dispatch	GIS	Geographic Information System
CAFR	Comprehensive Annual Financial Report	GPS	Global Positioning System
Caltrans	California Department of Transportation	Haz Mat	Hazardous Materials
CAPER	Consolidated Annual Plan & Performance Eval Rpt	HCD	Housing and Community Development
CATV	Cable Television	HMO	Health Maintenance Organization
CDBG	Community Development Block Grant	HR	Human Resources
CEPAC	Citizens Emerg Preparedness Advisory Com	HUD	Housing and Urban Development
CEQA	California Environmental Quality Act	I	Interstate
CIP	Capital Improvement Program	ICMA	Intern'l City/County Management Assn
CIT	Counselor in Training Program	IS	Information Services
CMAS	California Multiple Awards Schedule	JPA	Joint Power Authority
CMO	City Manager's Office	KB	Kaufman & Broad
CO	Certificate of Occupancy	LAFCO	Local Agency Formation Commission
COBRA	Consolidated Omnibus Budget Recon Act	LIUNA	Laborers' International Union of N. America
COMPST	Computerized Statistics	LID	Local Improvement District
COPs	Certificates of Participation	LLEBG	Local Law Enforcement Block Grant
COPS	Community Oriented Policing Services	LMD	Light & Landscape Maintenance District
CPI	Consumer Price Index	M & O	Maintenance and Operation
CPR	Cardio-Pulmonary Resuscitation	MEA	Milpitas Employees Association
CRS	Community Rating System	MLS	Major League Soccer
CSMFO	California Society of Muni Finance Officers	MOU	Memorandum of Understanding
DARE	Drug Abuse Resistance Education	MSA	Milpitas Supervisors Association
DDA	Disposition and Development Agreement	MVP	Milpitas Volunteer Program
DMV	Department of Motor Vehicles	NAIOP	Nat Assoc of Industrial & Office Properties
DOHS	Department of Health Services	NBO	Neighborhood Beautification Ordinance
DPW	Department of Public Works	NOVA	North Valley Private Industry Council
DUI	Driving Under the Influence	O&M	Operating and Maintenance
EIR	Environmental Impact Report	OES	Office of Environmental Services
EMD	Emergency Medical Dispatch	OPA	Owner Participation Agreement
EMS	Emergency Medical Service	OSHA	Occupational Safety and Health Admin
EMT	Emergency Medical Technician	PAL	Police Athletic League
EOC	Emergency Operations Center	PC	Planning Commission

Appendix Abbreviations and Acronyms

PCR	Police Community Relations
PERS	Public Employees Retirement System
POST	Peace Officers Standards and Training
PPO	Preferred Provider Organization
PRCRC	Parks, Recreation and Cultural Resour Com
PUC	Public Utility Commission
RAP	Recreation Assistance Program
RDA	Redevelopment Agency
RFP	Request for Proposal
RMS	Records Management System
RWQCB	Regional Water Quality Control Board
SAFE	Strategic Actions For Emergencies
SBDC	Small Business Development Center
SCBA	Self Contained Breathing Apparatus
SCVWD	Santa Clara Valley Water District
SEMS	Standardized Emergency Managemt System
SLETS	Sheriff's Law Enforcement Telecom System
SOP	Standard Operating Procedure
SV-ITS	Silicon Valley Intelligent Transportation System
SWAT	Special Weapons and Tactics
TABs	Tax Allocation Bonds
TIA	Traffic Impact Analysis
TDM	Transportation Demand Management
TOT	Transient Occupancy Tax
UBC	Uniform Building Code
UCR	Uniform Crime Reports
UFC	Uniform Fire Code
VLF	Vehicle License Fee
VTa	Valley Transportation Authority
WMD	Weapons of Mass Destruction
WPCP	Water Pollution Control Plant
YBA	Youth Basketball Association
YSB	Youth Service Bureau
YTD	Year to Date

GLOSSARY OF TERMS

Accrual Basis — A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received and spent.

Accomplishment — Programs and activities successfully completed in the prior fiscal year.

Agency Funds — One of four types of fiduciary funds. Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

Appropriation — An authorization made by the City Council that permits officials to incur obligations against and to make expenditures of resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

Appropriations Limit — Proposition 4 approved by the voters in 1980 limits the amount of money that cities may spend each year. This limit is set each year based on the amount that was appropriated in 1978-79 and adjusted each year for population growth and a cost-of-living factor.

Assessed Valuation — The value of real property and improvements, as determined by the County Assessor, against which the property tax levy is assessed.

Asset — Resources owned or held by a government that have a monetary value.

Bond — A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Budget — A plan of financial operation embodying an estimate of proposed expenditures for a given period of time and the proposed means of financing them.

Budgetary Basis — This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash, or modified accrual.

Budget Calendar — The schedule of key dates which government follows in preparation and adoption of the budget.

Budgetary Integration — The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of the available appropriations and resources. A system of controls to ensure and demonstrate budgetary compliance with uncommitted balance of appropriations (avoid overspending or over committing budget) and unrealized revenues (monitor on an ongoing basis to determine whether spending reductions are needed to keep the budget in balance).

Building Permit Fee — Fee required for new construction or for any alteration or addition to a residence or commercial building. The fee is based on valuation. Electrical or plumbing/mechanical work also requires a similar permit with an itemized fee schedule.

Business License Tax — A tax imposed upon businesses in the community. The fee is a flat rate plus a minimal charge per employee.

Capital Assets — Assets of significant value and having a useful life of several years (the term fixed assets is also used).

Capital Budget — A plan of proposed capital expenditures and the appropriations to finance them. The capital budget is usually enacted as part of the complete annual budget that includes both an operating component and a capital component. The capital budget should be based on a capital improvement program (CIP) and is typically the first year of a multi-year CIP.

Capital Improvement — Projects which purchase or construct capital assets. Typically capital improvements include new street improvements, park development, the acquisition of land, major construction of public facilities, and major maintenance/repair projects such as street resurfacing or modifications to public facilities.

Capital Improvement Program — A comprehensive five-year plan of implementing proposed capital projects which identifies priorities as to need, cost, and method of financing during the next five years. The first year of the CIP is typically adopted as the current capital budget.

Capital Projects Fund — Fund type used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Capital Outlay — Expenditure for the acquisition of equipment for direct services, (i.e. computers, communication radios, etc.). Capital Outlay is a line item in the operating budget and usually contains items that should be depreciated for future replacement.

Comprehensive Annual Financial Report (CAFR) — The official annual financial report for the City. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with Generally Accepted Accounting Principals (GAAP).

Contingency Reserve — A specific line item appropriation from which to distribute additional funds to decision units for salary increases resulting from employee contract negotiations and to pay for emergencies or unanticipated expenditures that from time to time arise during the course of a fiscal year.

Contractual Services — Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, rent, maintenance agreements and professional consulting services.

Debt Service — Payment of interest and repayment of principal to holders of the City's debt instruments.

Defeasance — The legal release of a debtor from being the primary obligor under the debt, either by the courts or by the creditor.

Department — An organizational unit of government which is functionally unique in its delivery of services.

Discount — The difference between the cost of a security and its value at maturity when quoted at lower than face value.

Effectiveness — The degree to which an entity, program or procedure is successful at achieving its goals and objectives.

Efficiency — The degree to which an entity, program or procedure is successful at achieving its goals and objectives with the least use of scarce resources. Efficiency necessarily presupposes effectiveness.

Encumbrances — Commitments against an approved budget for unperformed (executory) contracts for goods and services. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Enterprise Fund — Used to account for specific services, i.e. water and sewer, which are funded directly by fees and charges to external users.

Equipment Charges — Charges or "rental fees" charged to user departments to defray the cost of maintaining the equipment used and to replace the equipment when it exceeds its useful life.

Expenditure — The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

Expense — Charges incurred for operations, maintenance, interest or other charges.

Final Budget — The budget document adopted by resolution following the budget hearings in June of each year. The document formally incorporates any Council changes to the preliminary budget, resulting from the budget hearings.

Fiscal Year — The financial year for the City of Milpitas is July 1 through June 30 of the subsequent year.

Fixed Assets — Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture or other equipment.

Franchise Fee — A regulatory fee charged to utility companies for the privilege of doing business in the City of Milpitas, i.e. garbage franchise fee, gas and electric franchise fee, and nitrogen gas franchise fee.

Function — A discrete entity such as an organizational unit or groupings of interrelated programs within a department or division whose appropriations for salaries, services and supplies, and capital outlay can easily be subjected to analysis in the budget process.

Fund — An independent fiscal and accounting entity used to record all financial transactions related to the specific purpose for which the fund was created.

Fund Balance — Also known as financial position, fund balance is the excess of current assets over current liabilities, and represents the cumulative effect of revenues and other financing sources over expenditures and other uses.

Gas Tax — Share of revenue derived from the State taxes on gasoline.

General Fund — The main operating fund of the City.

Government Accounting Standards Board (GASB) — A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

Governmental Funds — Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds and permanent funds.

Hotel/Motel Tax — A transient occupancy (less than 30 days at a hotel or motel) tax imposed for general purposes. The tax is currently 10% of receipts.

Infrastructure — The physical assets of a government (i.e. streets, water and sewer systems, public buildings and parks).

Interest — Income resulting from the prudent investment of idle cash. The types of investments are controlled by the City's Investment Policy in accordance with the California Government Code.

Internal Service Funds — Proprietary fund type that may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary government and its component units or to other governments on a cost-reimbursement basis.

Legal Level of Budgetary Control — The lowest level at which a government's management may not reallocate resources without special approval from the legislative body.

Level of Service — A description of the services provided, or activities performed, and the cost and personnel requirements.

Line Item — The description of an object of expenditure, i.e. salaries, supplies, contract services, etc.

Materiality — The magnitude of an omission or misstatement of accounting information that, in the light of surrounding circumstance, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement. The objective of accountability in governmental financial reporting requires materiality to be judged in both a quantitative and qualitative manner (involves such issues as legal and contractual compliance).

Motor Vehicle In Lieu — A share of the revenue derived from registration fees charged by the State.

Objective — Program or activity intended to be implemented in the ensuing fiscal year.

Operating Budget — A financial plan for the provision of direct services and support functions.

Overhead Charges — A charge made to a developer account or the Redevelopment Agency to defray the direct and indirect overhead costs associated with an employee performing duties or providing services to the fund or account.

Park Development Fee — The fee paid by a developer or sub-developer for park or recreation purposes in lieu of the dedication of land.

Personal Services — Expenditures for salaries, wages and fringe benefits of a government's employees.

Personnel Allotment — List of full-time and part-time employees required to support a division or function, listed by their classification or title.

Personnel Analysis — Changes to personnel allotment from the previous fiscal year. Reorganizations, reclassifications and reallocation of resources are highlighted in this section.

Performance Indicators — Quantitative measures of accomplishments and objectives, sometimes known as workload/performance measures.

Prior-Year Encumbrances — Obligations from previous fiscal years in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation, and for which a part of the appropriation is reserved. They cease to be an encumbrance when the obligations are paid or otherwise terminated.

Property Tax — A tax imposed on real property (land and permanently attached improvements) based upon the assessed value of the property. The tax rate may not exceed 1% of assessed value.

Proposed Budget — The budget document recommended by the City Manager that is approved as may be amended by the City Council during budget hearings. The hearings are held in June, and the approval of the Preliminary Budget gives spending authority effective each July 1st for the subsequent fiscal year.

Proprietary Funds — Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

Recreation Fees — Charges for services provided to participants of Community and Recreation Services' classes, activities, and recreational sports.

Redevelopment — The planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation of real property, and the provision of such residential, commercial, industrial, public, or other structures appropriate to the general welfare of the City.

Rents and Concessions — Charges for group rentals of City facilities.

Reserves — A savings account maintained for restricted use, i.e. self-insurance programs, capital improvement projects, or for unrestricted use to protect the City from emergencies or unanticipated expenditures.

Revenue Analysis — Departmental revenue sources are described. Revenue increases, decreases and strategies are highlighted in this section.

Sales Tax — Of the \$.0825 sales tax paid on every \$1.00 spent when shopping in Milpitas, \$.01 is returned to the City.

Services and Supplies — The category of line items that describe non-salary and non-capital outlay expenditures.

Special Revenue Fund — Used to account for revenue that is set aside for restricted use, e.g. gas tax receipts are set aside in such a fund to be used solely for street improvements.

Supplemental Appropriation — An additional appropriation made by the governing body after the budget year has started.

Taxes — Compulsory charges levied by a government for the purposes of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Tax Increment Revenue — Property tax generated within the redevelopment project area that accrues solely to the Milpitas Redevelopment Agency.

Transfers In/Out — Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

Undesignated Unreserved Fund Balance — Available expendable financial resources in a governmental fund that are not the object of tentative management plans (designations).

Workload/Performance Measures — Quantitative measures of services provided, or activities performed, by an organizational unit.

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